

## PARIS NOTICE NO. 14/15

Issue Date: 16 December 2014

Effective Date: Q1 2015

### INTRODUCTION OF SINGLE STOCK DIVIDEND FUTURES

#### Executive Summary

This notice informs Members of the introduction of Single Stock Dividend Futures on the Paris Derivatives Markets. The introduction of these futures is scheduled in the first quarter of 2015.

#### 1. Introduction

- 1.1 Euronext intends to launch Single Stock Dividend Futures (SSDF) on the Amsterdam, Brussels and Paris Derivatives Markets. 40 SSDFs will initially be listed on the Paris market. An SSDF is a future on the cumulative value of ordinary gross cash dividends declared by the relevant company over a one-year period. The period starts on the day following the third Friday in December and ends on the third Friday in December (the expiry date) one year later.
- 1.2 Each SSDF has a contract size of 10,000 shares. Open positions remaining after the last day of trading will lead to cash settlement and the tick size is € 0.0001 (€ 1 per contract). The full contract specifications are set out in attachment 1. The list of underlying values is shown in attachment 2.
- 1.3 The introduction of SSDFs on the Paris Derivatives Market is scheduled in the first quarter of 2015. The launch date will be announced via Paris Notice.

#### 2. Liquidity Provider information

- 2.1 For the full Liquidity Provider programme specifications including obligations and benefits please refer to the Liquidity Provider Programme Info-Flash which is available on the Euronext website: <https://derivatives.euronext.com/elps>.
- 2.2 All Members are eligible to apply for a Liquidity Provider status. Members wishing to apply for a Liquidity Provider role should complete the Liquidity Provider Registration Form as explained in the Info-Flash.

### 3. Dividend rules

- 3.1 For the purpose of determination of the final settlement value (EDSP), the declared ordinary dividends are taken into account if their ex-date falls on or between the start and end date of the reference period of the relevant expiry. The dividend amount taken into account will be the amount as declared by the issuer without an adjustment for withholding taxes, tax credits or tax repayments.
- 3.2 Dividends that are declared special or extraordinary by the issuer are normally excluded.
- 3.3 If a dividend is distributed in the form of shares only and if this is regarded as ordinary dividend, the cash equivalent is taken into account. If no cash value is declared by the issuer, the cash value will be determined based on the official closing price of the share on the relevant cash market on the cum-day (the business day prior to the ex-dividend date).
- 3.4 If shareholders may choose between cash or shares, the cash option is chosen.
- 3.5 A dividend future refers to a dividend that is paid in the same currency as the trading currency of the dividend future. If a dividend is declared in another currency than the futures contract currency, the published equivalent amount in the futures contract currency will be used if investors have the option to be paid in that currency and if this amount is available on or before the ex-date (for clarification, the published equivalent amount should not be a converted value that is shown for informational purposes). If the dividend amount is only available in currencies that deviate from the futures contract currency, the dividend amount will be converted using the reference rate for the cum-day (the business day prior to the ex-date). In principle the reference rate will be based on the foreign exchange reference rates as published daily by the ECB.
- 3.6 For cases not covered by these rules, Euronext will determine an appropriate adjustment or repayment to be made.

### 4. Fees

- 4.1 The standard trading and clearing fees per contract are as follows:

Futures price	Central Order Book		Block trades and guaranteed cross	
	Broker (Client account) and Member (Own account) <sup>1</sup>	Liquidity Provider <sup>2</sup>	Broker (Client account) and Member (Own account) <sup>1</sup>	Liquidity Provider <sup>2</sup>
< 0.50	€ 1.00	€ 0.50	€ 1.50	€ 0.75
0.50 – 0.99	€ 4.00	€ 2.00	€ 6.00	€ 3.00
≥ 1.00	€ 6.00	€ 3.00	€ 9.00	€ 4.50

### 5. Corporate Actions

- 5.1 Relevant Corporate Actions will be processed according to the procedures that are applicable to the equivalent equity option or single stock futures listed on Euronext.

For further information in relation to this Notice, contact your relationship manager at [eurmteam@euronext.com](mailto:eurmteam@euronext.com)

<sup>1</sup> The clearing fee is €0.50 per contract.

<sup>2</sup> The clearing fee is €0.30 per contract.

Attachment 1

**The contract specifications for Single Stock Dividend Futures are as follows:**

Contract size	Dividend payments in relation to a contract size of 10,000 shares
Unit of trading	10,000
Pricing unit/quotation	Euro per share US Dollar per share
Minimum price movement (tick size and value)	EUR 0.0001 (EUR 1.00 per contract) USD 0.0001 (USD 1.00 per contract)
Expiry months	12, 24, 36, 48 and 60 months yearly (of the December cycle)
Introduction of new expiry months	New expiry months are available for trading on the first business day after the expiry of a maturity
Wholesale services	Block trading (minimum size 1 contract)
Trading hours	Central Order Book 09:00 – 17:30 CET Block Trade Facility 09:00 – 18:30 CET
Trading platform	UTP
Algorithm	Central order book applies a price-time trading algorithm with priority given to the first order at the best price
Last trading day	Trading ceases at 12:00 CET on the third Friday of the expiry month. In the event that the third Friday is not a business day, the Last Trading Day shall normally be the last business day preceding the third Friday
Settlement	Cash settlement based on the EDSP
Settlement day	First business day after the day on which the EDSP is published
Exchange Delivery Settlement Price (EDSP)	The final settlement value as established by Euronext at 12:00 (CET) on the third Friday of the expiry month, determined to four decimal places. The final settlement value is equal to the cumulative value of ordinary dividends declared by the relevant company without an adjustment for withholding taxes, tax credits or tax repayments. Declared ordinary dividends are taken into account if their ex-date falls on or between, the start and end date of the one-year reference period of the relevant expiry. The reference period starts on the day following the third Friday in December and ends on the third Friday in December (the expiry date) one year later.
Clearing organization	LCH.Clearnet S.A.

Attachment 2 - List of Single Stock Dividend Futures to be listed on the Paris market.

	Trading symbol	Name	ISIN code shares	SSDF trading currency
1	AC8	Accor SA	FR0000120404	EUR
2	AI8	Air Liquide SA	FR0000120073	EUR
3	EA8	Airbus Group NV	NL0000235190	EUR
4	CS8	AXA SA	FR0000120628	EUR
5	BN8	BNP Paribas SA	FR0000131104	EUR
6	EN8	Bouygues SA	FR0000120503	EUR
7	CP8	Cap Gemini SA	FR0000125338	EUR
8	CA8	Carrefour SA	FR0000120172	EUR
9	CR8	Credit Agricole SA	FR0000045072	EUR
10	DA8	Danone SA	FR0000120644	EUR
11	DF8	Electricite de France SA	FR0010242511	EUR
12	EF8	Essilor International SA	FR0000121667	EUR
13	EC8	Eutelsat Communications SA	FR0010221234	EUR
14	GA8	GDF Suez	FR0010208488	EUR
15	HA8	Havas SA	FR0000121881	EUR
16	KR8	Kering	FR0000121485	EUR
17	MM8	Lagardere SCA	FR0000130213	EUR
18	LR8	Legrand SA	FR0010307819	EUR
19	OR8	L'Oreal SA	FR0000120321	EUR
20	MC8	LVMH	FR0000121014	EUR
21	ML8	Michelin	FR0000121261	EUR
22	KN8	Natixis SA	FR0000120685	EUR
23	FT8	Orange SA	FR0000133308	EUR
24	RI8	Pernod Ricard SA	FR0000120693	EUR
25	RN8	Renault SA	FR0000131906	EUR
26	SM8	Safran SA	FR0000073272	EUR
27	SG8	Saint-Gobain	FR0000125007	EUR
28	SA8	Sanofi	FR0000120578	EUR
29	SU8	Schneider Electric SE	FR0000121972	EUR
30	SC8	SCOR SE	FR0010411983	EUR
31	GL8	Societe Generale SA	FR0000130809	EUR
32	SE8	Suez Environnement SA	FR0010613471	EUR
33	TE8	Technip SA	FR0000131708	EUR
34	TO8	Total SA	FR0000120271	EUR
35	FR8	Valeo SA	FR0000130338	EUR
36	VA8	Vallourec SA	FR0000120354	EUR
37	VI8	Veolia Environnement SA	FR0000124141	EUR
38	DG8	Vinci SA	FR0000125486	EUR
39	EX8	Vivendi SA	FR0000127771	EUR
40	ZA8	Zodiac Aerospace	FR0000125684	EUR