



Regulation Trade Refusal

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1. Introduction

This Regulation is enacted pursuant to and in accordance with articles 4.4.3, 5.1.2 and 5.3.1(c) of the Clearing Rule Book.

Capitalised terms used in this Regulation, and not otherwise defined herein, shall have the meaning ascribed thereto in the Clearing Rule Book.

This Regulation applies as of 23 February 2024.

Changes to this Regulation will be implemented in accordance with the Changing Cboe Clear Rulebook & Regulations Procedure as published on Cboe Clear's website.

2. Conditions for Trade Refusal

A Trade will not be registered by Cboe Clear if:

- 1) the Trade execution report is not in the agreed format. For on Exchange Trades, the content and format of the Trade execution report will be as agreed on between Cboe Clear and the Exchange. For off Exchange Trades, the content and format of the Trade execution report will be as agreed on between Cboe Clear and the relevant Clearing Participant;
- 2) the content of the Trade execution report is incomplete or incorrect;
- 3) the Product is not listed in Regulation Securities or Regulation Derivatives;
- 4) the Product is subject to financial sanctions issued by a governmental authority;
- 5) there is no Statement of Authority in effect in respect of the Clearing Participant or Product Class;
- 6) Cboe Clear has suspended the provision of clearing services to the relevant Clearing Participant or has declared it to be inactive;
- 7) only one side of the executed trade is sent, only the buy or only the sell side, unless agreed otherwise with Cboe Clear;
- 8) the buy and sell side of the executed trade do not match;
- 9) for a Trade not concluded on a regulated market, multilateral trading facility or other trading venue within the meaning of the MiFID, if the value of the trade exceeds EUR 10 (ten) million. In case the Trade is concluded between Clearing Participants that have been designated in accordance with section 5 of this Regulation, or a Clearing Participant that has been designated in accordance with section 5 of this Regulation and a Co-operating Clearing House, the value of the Trade may not exceed EUR fifty (50) million. The value of a Trade will be determined by multiplying the number of the Securities of the Trade by the closing price of such Security of the previous Trade Date. If the price is expressed in a currency not being EUR, Cboe Clear will use the counter value in EUR calculated at the rate used by Cboe Clear for the batch processing of the previous Trade Date;
- 10) for a Trade not concluded on a regulated market, multilateral trading facility or other trading venue within the meaning of the MiFID: the agreed price per Security of the Trade differs twenty-five per cent (25%) or more from the closing price of that Security of the previous Trade Date; or
- 11) for a Trade not concluded on a regulated market, multilateral trading facility or other trading venue within the meaning of the MiFID: if that Trade would result in Cboe Clear needing liquid resources that would be in excess of a

predetermined percentage of the total liquid resources available to it and the relevant Clearing Participant has not met the Settlement Prefunding Requirement (as defined in the Regulation Liquidity Measures).

If a Trade has been concluded between a Clearing Participant and a clearing member of a Co-operating Clearing House, then Cboe Clear may also refuse the Trade:

- 12) because of a malfunction, breakdown or similar failure in the electronic communication link between the Exchange and Cboe Clear (including any linkage via a third party system) or in Cboe Clear's computer systems;
- 13) if the Co-operating Clearing House declines to register, rejects, cancels, avoids or terminates the Trade, its leg of the Trade or any related contract between the Co-operating Clearing House and its clearing member;
- 14) if the Co-operating Clearing House has suspended or does not provide clearing services in relation to the Trade;
- 15) if the relevant Link Agreement or agreement(s) with the Exchange or any other agreement that Cboe Clear or the Co-operating Clearing House has entered into in relation to the provision of clearing services has been terminated or is otherwise not in force; or
- 16) if Cboe Clear is permitted to refuse the Trade pursuant to the relevant Link Agreement.

3. Remediation

In case any of the conditions for trade refusal applies, Cboe Clear will inform the Exchange or Trade data provider, as applicable.

Subsequently, an Exchange or Trade data provider can:

- a) send a Correction in accordance with article 5.8 of the Clearing Rule Book; or
- b) cancel the Trade and send Cboe Clear a new Trade,

after which Cboe Clear will register the Trade, provided that the requirements of article 5.3 of the Clearing Rule Book have been met.

Further, if Cboe Clear refuses a Trade pursuant to section 2(9) of this Regulation, Cboe Clear will inform the Clearing Participants involved.

If Cboe Clear does not register a Trade pursuant to section 2(10) of this Regulation, the relevant Clearing Participants may request Cboe Clear for permission to re-send the Trade, provided that the agreed price per Security of the Trade differs no more than twenty-five per cent (25%) from the then current price of that Security. Cboe Clear shall not unreasonably withhold such permission.

4. Intra-day and end of day reporting

Cboe Clear will send the Clearing Participant intra-day and end of the day reports on registered Trades.

5. Trades not concluded on a regulated market or multilateral trading facility

A Clearing Participant can request Cboe Clear to be designated as a Clearing Participant eligible to enter into Trade Legs for a Trade not concluded on a regulated market, multilateral trading facility or other trading venue within the meaning of the MiFID, where the value of the Trade exceeds EUR ten (10) million but does not exceed EUR fifty (50) million. Cboe Clear may only grant such designation under the following conditions:

- 1) the Clearing Participant has made a request in the format of Annex 1 to this Regulation Trade Refusal;
- 2) the Clearing Participant maintains a base amount, as specified in the Regulation Clearing Fund of EUR three (3) million for its Contribution to the Clearing Fund;
- 3) the Clearing Participant which is a Direct Clearing Participant maintains at all times a minimum Capital of EUR thirty (30) million and the Clearing Participant which is a General Clearing Participant maintains at all times a minimum Capital of EUR fifty (50) million; and
- 4) the Clearing Participant has authorised Cboe Clear to collect Collateral on the basis of direct debit arrangements.

Cboe Clear will acknowledge the designation by returning a signed copy of the request made by the Clearing Participant pursuant to this section. The designation can be revoked by Cboe Clear at any time by giving written notice with the motivation for the revocation to the Clearing Participant.

Annex 1

Clearing Participant's Request for Recognition
pursuant to section 5 of Regulation Trade Refusal

Cboe Clear Europe N.V. (Cboe Clear)
Attn. Risk Department
Symphony Offices
Gustav Mahlerplein 77
1082 MS Amsterdam
The Netherlands

[Place / Date]

We herewith request to be designated as a Clearing Participant designated to enter into Trade Legs for a Trade not concluded on a regulated market, multilateral trading facility or other trading venue within the meaning of MiFID where the value of the Trade exceeds EUR ten (10) million but does not exceed EUR fifty (50) million pursuant to section 3 of the Cboe Clear Regulation Trade Refusal.

In this connection we confirm that [name of the Clearing Participant]

1. maintains a base amount, as specified in the Regulation Clearing Fund of EUR three (3) million for its Contribution to the Clearing Fund, and will maintain such a base amount for as long as the designation is in force;
2. is a Direct Clearing Participant and maintains at all times a minimum Capital of EUR thirty (30) million*, / is a General Clearing Participant maintains at all times a minimum Capital of EUR fifty (50) million, for as long as the designation is in force*;
3. has authorised Cboe Clear to collect Collateral on the basis of direct debit arrangements, and that such authorisation will remain in place for as long as the designation is in force;
4. is aware that the designation can be revoked by Cboe Clear at any time by Cboe Clear by giving written notice with the motivation for the revocation to the Clearing Participant.

Please acknowledge the designation by returning the enclosed signed copy of this request, signed for approval by Cboe Clear, to:

[name of the Clearing Participant]
[Contact Name]
[Address]
[Telephone number]
[E-mail address]

* Please delete as appropriate

Signed for and on behalf of (Name of Clearing Participant)	Signed for and on behalf of (Name of Clearing Participant)
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_____ Name: Title: Place: Date:	_____ Name: Title: Place: Date:
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For Agreement Cboe Clear

Signed for and on behalf of Cboe Clear Europe N.V. _____ Name: Title: Place: Date:	Signed for and on behalf of Cboe Clear Europe N.V. _____ Name: Title: Place: Date:
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