



LUXEMBOURG
STOCK EXCHANGE

TRADING MANUAL

APPENDIX ON THE LUXSE'S PROFESSIONAL SEGMENTS

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LuxSE's Professional Segments



I. Overview of the framework

A. R&R of LuxSE

Chapter 0 (Definitions)

'Professional Segment' – the division of the Securities Market of the LuxSE, as described in the Trading Manual and its Appendix, which is accessible only to Professional Clients or Qualified/Well-informed Investors, as applicable.

'Professional Client' – as defined in MiFID II.

'Qualified Investor' – as defined in the Prospectus Regulation.

'Prospectus Regulation' – Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

'Well-informed Investor' – with the meaning of Luxembourg legislation on alternative investments funds, including – but not limited to – specialised investment funds (SIF), investment companies in risk capital (SICAR) and reserved alternative investment funds (RAIF), or any similar category under any other jurisdiction.

Chapter 5 (Rules of Conduct)

Rule 5106 (Internal controls)

5106/7 A Member shall not accept orders involving instruments traded on any of the Professional Segments of the Securities Market of the Luxembourg Stock Exchange that do not come from Professional Clients or Qualified/Well-informed Investors, as applicable. The Luxembourg Stock Exchange does not verify whether clients/investors are qualified to operate in the abovementioned Professional Segments. A Member shall ensure that the authorised parties placing the orders abide by the same rules of conduct.

5106/8 In case a Transaction is executed on behalf of a client/investor who is not a Professional Client or a Qualified/Well-informed Investor, as applicable, this does not constitute an exceptional circumstance in which the Transaction may be cancelled as per Rule 4403/3 and the Luxembourg Stock Exchange may not cancel the Transaction on a case-by-case basis as per the same provision.

B. Trading Manual of LuxSE

Chapter 1.1 (Classification of Securities into Trading Groups and Trading Categories)

By default, all Members have access to all trading groups, except for the trading groups created under any of the Professional Segments. For these groups, Members have to request a prior written authorization by email to dms@bourse.lu.

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II. Functioning of Professional Segments

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1. Issuers will have to specifically apply to be admitted to the Professional Segments of any of the Securities Market of the LuxSE – See Application Form.

Note: LuxSE must be informed of any modifications to the information and documents received at the time of the filing of the application for admission – See R&R Rule 302.

2. Dedicated trading groups for each eligible securities were created for the Professional Segments under both Securities Market of the LuxSE, as following:
 - I. Bonds;
 - II. Shares;
 - III. Warrants;
 - IV. Funds.
3. Non-equity securities will only be available in the Bonds and Warrants trading groups of the Professional Segments for Qualified Investors (as defined in the Prospectus Regulation).
4. The trading groups under both Professional Segments are functioning in bilateral mode only.
5. There is no access to any of the above trading groups by default; only on demand by Members – See LuxSE Trading Manual Chapter 1.1.
6. Members will be informed on a daily basis about all new listings on the Professional Segments before the opening of the market.
7. A new alert announcing a trade on the Professional Segments is in place, in order to strengthen internal controls. Based on the alert, the Market & Surveillance department of the LuxSE (M&S) is immediately able to contact the Member who inserted the order to make sure that it came from a Professional Client or a Qualified/Well-informed Investor. If this is not the case, the Member can cancel the order accordingly. If a transaction ultimately occurred, M&S can still notify the relevant Member, bearing however in mind that LuxSE has no capacity to cancel the transaction – See LuxSE R&R Rule 5106/8.

Note: Transactions will only be cancelled under the situations foreseen in LuxSE R&R – See LuxSE Rule 4403.3.

8. Members have the responsibility to verify whether their clients are eligible to invest in securities traded in any of the Professional Segments of the Securities Market of the LuxSE. LuxSE will not verify whether clients/investors are eligible to operate in any of the Professional Segments – See LuxSE R&R Rule 5106/7.
9. Members shall ensure that the authorised parties placing the orders abide by the same rules of conduct. For Members' responsibility – See LuxSE R&R Rule 4106.
10. Breach by Members of their obligations under the LuxSE R&R will be subject to sanctions, including suspension – See LuxSE R&R Part 3, Chapter 6.

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