



LuxSE Playbook for Incident Management

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LUXEMBOURG
STOCK EXCHANGE

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This document provides trading participants an overview on the handling of a technical incident at the LuxSE (Luxembourg Stock Exchange).

An incident is defined as 'a deterioration of service or a deviation from the service standards'. A significant incident is defined as 'an incident affecting multiple trading members and markets'. As the LuxSE's markets are hosted on the trading platform of Euronext named OPTIQ, the LuxSE depends on Euronext when responding to (and communicating concerning) an incident.

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2.1 Incident handling

In case of an incident, LuxSE's priorities are as follows:

1. Keep the relevant market open as long as it is operating in a fair and orderly manner and more generally in compliance with applicable regulations.
2. Restore the service as quickly and safely as possible, whilst fulfilling our regulatory responsibilities. This includes securing the consistency between order and trade records at all times and minimising impact on trades (RTS7).
3. Communicate appropriately and in a timely manner to all stakeholders.
4. Prepare a secured end-of-day closing on the day of an incident.
5. Ensure normal trading hours on the day after an incident.
6. Carry out a post-event review and take actions to avoid the recurrence of an outage.

2.2 Communication

1. After the discovery of an incident, it will be promptly reported via 2 channels. As the LuxSE's markets are hosted on the Euronext's trading platform, it will be reported:
 - a. via the Euronext's market status webpage (even if the issue is not yet ascertained) - live.euronext.com/market-status, and
 - b. via email to all trading members of the LuxSE.
2. The incident will also be reported to the Luxembourg financial sector supervisory authority, the Commission de Surveillance du Secteur Financier, in compliance with applicable regulations.
3. Euronext's market status webpage will be updated every 30 minutes thereafter (even if the situation remains unchanged), together with next steps for incident resolution and/or any other additional information or instructions.
4. The LuxSE will communicate by email to all trading members at least 15 minutes in advance prior to re-opening of the relevant market.
5. In the case of a significant incident affecting the consistency or integrity of orders and/or trades, the LuxSE will communicate by email to all trading members at least one hour in advance prior to any re-opening of the market in order for trading members to synchronise their books with the LuxSE.
6. Customers subscribing to the Euronext's Market Status Alert of email notification service will receive System Status alerts by email with details of the alerts posted on the market status webpage.
7. If needed, an Info-Flash is sent by Euronext overnight to provide more information and confirm arrangements for the following morning.

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2.3 Restoration of service

1. A halted/suspended market will be reinstated to a pre-opening/call phase, to allow trading members to access their orders.
2. A suspended or halted market shall only resume upon completion of a pre-opening phase of at least 15 minutes.
3. In the event that the integrity of orders being stored on the LuxSE's systems is compromised, the LuxSE will perform a global order book purge on all orders (regardless of their type and maturity). When performing such action, the LuxSE may not be in a position to send individual order cancellation acknowledgments.

2.4 Closing auctions and end-of-day processing

1. In the case of an issue affecting the closing auction whereby the LuxSE is unable to establish a closing price, the last price (traded or indicative) will be used as the official closing price.
2. The LuxSE may need to delay the closing auction until 18:15 CET and will make its best efforts to determine the official closing prices, taking into account the circumstances surrounding the incident and its resolution.
3. In any case, a closing auction cannot take place after 18h15 CET.

2.5 Management of orders and trades

In addition to the above focus areas, the integrity of orders and trades is critical to recover services in a successful way.

Trades for which an acknowledgement has been sent by Euronext's trading system and received by a trading member will be considered as valid (with the exception of trades that are considered to have been conducted under improper conditions or have been individually cancelled by the LuxSE).

The transactions cancellation policy is defined in rule 4403.3 of the LuxSE's Rules & Regulations and the LuxSE may cancel trades for "improper trading conditions". Which conditions constitute "improper trading conditions" is determined by the LuxSE in its sole discretion.

For the avoidance of doubt, in the case of any discrepancy, the provisions of the LuxSE's Rules & Regulations prevail over this document.

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