

Internal Matching Service



Our strategy:
Optimise your order flow
while reducing
your transaction costs

Target:
All investment firms
trading on NYSE Euronext®,
on all equities listed
on its market

Enjoy unrivalled quality of execution for your trades while minimising your overall transaction costs.

Benefit from the opportunities created by MiFID with the Internal Matching Service. NYSE Euronext European Execution Services offer you the tools you need to reap the benefits of in-house trading along with the advantages and liquidity of a regulated market.

Stay ahead of the curve: the Internal Matching Service from NYSE Euronext European Execution Services is the most cost-effective solution to optimise your trading flow and is entirely MiFID-compliant. It offers:

- The best way to fully realise your potential for internalisation within a regulated market environment.
- The advantage of reduced overall transaction costs while trading on a highly liquid central order book.
- All the benefits of internalisation with no obligation for the member firm to become a Systematic Internaliser.
- Immediate access to the Internal Matching Service leveraging on NYSE Euronext technology, with no IT investment costs.
- Expert market monitoring supported by NYSE Euronext's ultra-fast, flexible and technologically advanced trading system.
- NYSE Euronext studies have shown that thanks to its dynamic order book, members will be able to reach a very high level (up to 40%) of internal matching.

Why choose NYSE Euronext European Execution Services for your internal matching?

NYSE Euronext European Execution Services provide a ready-made internalisation solution for you. Enhance your execution in the central order book by combining an optimal price discovery process and reducing overall transaction costs, while minimising risk exposure:

Suitable for all your strategies: NYSE Euronext's Internal Matching Service enables you to optimise all your order flows from all types of businesses – retail, proprietary, institutional and arbitrage. The service is open to all members, whatever your size, trading strategy and volume.

Immediate savings: the benefits of the service start with the first transaction you make.

Secure and reliable: benefit from NYSE Euronext's extensive experience of compliance with the regulations of the NYSE Euronext competent authorities.

Internal Matching Service

How does it work?

Within the Internal Matching Service, a new matching algorithm identifies and executes internalisation opportunities (applying a Price–Member–Time priority). Orders may be settled directly by the originating member firm, thus eliminating counterparty risk and removing the need for clearing services.

The figure below shows two execution scenarios for Company A. Company A wishes to buy 400 shares at €22.13.

- In scenario 1 (top right), under the existing transaction process, Company A is trading against Company B for 100 shares at €22.12, Company C for 200 shares at €22.13 and against itself for a quantity of 100 shares at €22.13.
- In scenario 2 (bottom right), Company A is using NYSE Euronext's new Internal Matching Service to benefit from the best price on 100 shares at €22.12 against Company B and trades against itself for a quantity of 300 shares at a price of €22.13, thus optimising its order flow by internalising, and benefiting from reduced overall transaction costs.

Continuous trading: a new execution scenario

At 10:06 Company A buys 400 shares at €22.13 with the following book on the sell side.

| Order Book Sell Side | | | |
|----------------------|-----|-----------|-------|
| Price | QTY | Seller | Time |
| 22.12 | 100 | Company B | 10:05 |
| 22.13 | 200 | Company C | 10:02 |
| 22.13 | 300 | Company A | 10:03 |
| 22.13 | 200 | Company A | 10:04 |

Executions with the existing process
Scenario 1

| Buyer | Seller | QTY | Price |
|-----------|-----------|-----|-------|
| Company A | Company B | 100 | 22.12 |
| Company A | Company C | 200 | 22.13 |
| Company A | Company A | 100 | 22.13 |

Executions with the new process
Scenario 2

| Buyer | Seller | QTY | Price |
|-----------|-----------|-----|-------|
| Company A | Company B | 100 | 22.12 |
| Company A | Company A | 300 | 22.13 |

For more details and information on NYSE Euronext's MiFID services and their regulatory status, contact your Account Manager or send your questions to MiFID@euronext.com

With NYSE Euronext European Execution Services, you benefit from our proven advantages.

An innovative, efficient market model offering trading on a single platform across regulatory environments.

Europe's deepest pool of liquidity and very low intraday volatility, enabling a smooth and dynamic trading experience.

State-of-the-art technology guaranteeing high speed, flexibility and market capacity across the board.

<http://mifid.euronext.com>