

Reporting scheme

SUPERVISION OF THE MARKET OPERATORS

Articles 16 up to and including 20 of the Law of 2 August 2002¹

I. Basic file

1. Commercial company

1.1. Articles of association of the market operator

2. Purpose

2.1. Detailed description of the purpose and of the activities actually carried out.

2.2. Where appropriate, justification that the activities which are not limited to the organization of secondary markets for financial instruments, are not of a nature to be prejudicial to the interests of investors or to the proper operation, integrity and transparency of the markets organized by the operator.

3. Shareholders of the market operator

3.1. If available, please provide the list (name, address, main activity, ...) of shareholders (natural or legal persons) who, either directly or indirectly, hold at least 10 % of the capital or voting rights².

3.2. Justification that the shareholders referred to in 3.1. above are "fit and proper". The concept of "fit and proper" implies inter alia that the person concerned or, as the case may be, the persons referred to in Article 2 of the Law of 2 March 1989 concerning the disclosure of large shareholdings in companies listed on the stock exchange and regulating takeover bids, possess the necessary qualities to ensure sound and prudent management of the market operator.

4. Management of the market operator

4.1. Organization chart.

¹ Law of 2 August 2002 on the supervision of the financial sector and on financial services, in this document referred to as "the Law".

² This does not exempt the shareholders from observing the relevant legal obligations.

- 4.2. Identification of the persons charged with the effective management of the market operator.
 - 4.3. Identification of the persons with managerial responsibilities within the group of which the market operator forms part.
 - 4.4. Composition of the Management Committee and the Board of Directors of the market operator.
 - 4.5. Information about the background of the persons with managerial responsibilities referred to in 4.2. and 4.3. above (curriculum, references, ...) and justification that they have the professional trustworthiness and adequate experience to carry out their respective functions.
 - 4.6. Justification that the persons with managerial responsibilities within the market operator and the group, are “fit and proper”.
5. Financial resources³
- 5.1. Financial information of the market operator (e.g. copy of the annual report and the annual accounts).
 - 5.2. Financial information of the group of which the market operator forms part (e.g. copy of the consolidated annual accounts and the annual report).
 - 5.3. Description and justification that the market operator has adequate financial resources at its disposal for the organization of the markets, to ensure that no risks arise that could be prejudicial to the interests of investors or to the proper operation of those markets.
6. Organization of the market operator
- 6.1. Description of the functional and hierarchic organization of the market operator, including all bodies responsible for the organization of the market and the auxiliary functions.
 - 6.2. List of the names of the persons responsible for the daily operation of the market operator (“management” in the broad sense).
 - 6.3. Detailed organization chart of the market operator with detailed information about the number of persons per function, as well as a job description and the curriculum vitae of the persons with managerial responsibilities.
 - 6.4. Indication of the reporting lines for each person with managerial responsibilities (“management” in the broad sense).
 - 6.5. Description of the way in which possible conflicts of interests are dealt with.
 - 6.6. Copy of the codes of ethics and of the rules regarding transactions executed by the staff members of the market operator for their own account.
 - 6.7. Identification, job description, reporting line with regard to market monitoring, market organization, listing department, membership department, internal auditor, compliance officer, accounting, administration, marketing, ...

³ This section refers to the financial statements available on the basis of company law.

- 6.8. Copy of the operational procedures describing the organization of the market operator (including internal control, internal compliance, membership, listing, ...).
 - 6.9. Description of the accounting rules applied.
 - 6.10. Copy of the disaster and emergency procedures within the framework of “disaster recovery” with regard to the various functions carried out by the market operator (e.g. IT systems, staff, ...).
 - 6.11. Copy of the contingency plan.
7. Prevention and detection of market manipulation
 - 7.1. Procedures laid down by the market operator regarding the prevention and detection of market manipulation.
 - 7.2. Description of the mechanisms provided for by the market operator regarding the prevention and detection of market manipulation.
 - 7.3. Reporting line – internal and external – if possible cases of market manipulation are discovered.
 - 7.4. Description of the investigatory, decision-making and sanctioning procedure regarding market manipulation (e.g. measures to be taken against fraudulent acts).
8. Company auditor
 - 8.1. Identification of the company auditor auditing the accounts of the market operator, as well as indication of the term of office and the date of appointment.
 - 8.2. If there are several company auditors, please indicate the name, address, term of office and date of appointment of each company auditor.
9. Group structure
 - 9.1. Copy of the articles of association of the parent undertaking, if any.
 - 9.2. Description of the purpose of and the activities actually carried out by the parent undertaking, if any.
 - 9.3. If available, please provide the list of shareholders. If a listed company has to comply with transparency obligations, please provide a copy of the notifications made within that framework.
 - 9.4. Description of the structure of the group of which the market operator forms part (organization chart, participating interests expressed in %, ...).
 - 9.5. Description of the place and role of the market operator within that group.
 - 9.6. Identification – per activity – of the different reporting lines between the market operator and the group of which it forms part.
10. Additional information
 - 10.1. If applicable, please provide information concerning the additional conditions referred to in Article 16, paragraph 2 of the Law which the Minister of Finance

deems necessary to ensure the protection of the interests of investors and the proper operation, integrity and transparency of the markets organized by the market operator.

- 10.2. Overview of all markets organized by the market operator (whether or not they are regulated and whether or not they are markets for financial instruments). A detailed description of the nature and speciality of each of those markets.
- 10.3. With regard to the non-regulated markets organized by the market operator or by an affiliated company: copy of the rules, overview of the procedures applied and description of the organization (organization chart, reporting lines, ...).

11. Market operator – Miscellaneous

- 11.1. All amendments to the basic file must be notified to the BFIC without delay (cf. also “Occasional information”).

II. Occasional information

1. The conditions for recognition must be continuously satisfied. All amendments to the conditions for recognition referred to in Article 17, § 1 of the Law and, where appropriate, to the additional conditions referred to in Article 16, paragraph 2 of the Law must be notified to the BFIC without delay.
2. Should the case arise, each possible and effective change in control, merger, splitting or other form of restructuring of the market operator must be notified to the BFIC without delay.
3. More generally, all amendments to the information contained in the basic file (cf. supra) must be notified to the BFIC without delay.
4. Shareholders of the market operator
 - 4.1. Notification of all changes to the shareholding structure of the market operator in conformity with Article 19 of the Law. If a listed company has to comply with transparency obligations, please provide a copy of the notifications made within that framework.
5. Management of the market operator
 - 5.1. Updated organization chart (twice a year), indicating the most recent job description, persons with managerial responsibilities and possible changes.
 - 5.2. Notification of all changes to management in the broad sense (e.g. departure/replacement, new functions, new responsibilities, changes to the job description, ...).

6. Financial resources⁴

- 6.1. Communication of the half-yearly financial statements of the market operator (twice a year).
- 6.2. Communication of the annual accounts and the annual report of the market operator within three months after the end of the financial period.
- 6.3. Communication of the periodic financial information to the BFIC as laid down by the BFIC by means of a regulation⁵ as referred to in Article 20, 2° of the Law.
- 6.4. Periodic overview of the financial ratios as referred to in Article 20, 1° of the Law as laid down by the BFIC by means of a regulation⁶.

7. Company auditor

- 7.1. Notification of the termination of the mandate of the company auditor auditing the accounts of the market operator, indicating the underlying reasons.
- 7.2. Notification of the date of termination of the mandate.
- 7.3. Notification of the name and address of the new company auditor.

8. Organization of the market operator

- 8.1. If available, please provide a copy of the reports of the internal auditor and the compliance officer.
- 8.2. Reporting about the functioning of the different markets organized by the market operator (IT systems, trading platform, ...) during a period determined by the BFIC.
- 8.3. Notification of each situation requiring the application of the disaster and emergency procedures.
- 8.4. Notification of all changes to the organization chart with regard to the management in general, including the content of the function.
- 8.5. Notification of all adaptations to the codes of ethics and rules regarding transactions executed by the staff members of the market operator for their own account.
- 8.6. Notification of circumstances requiring a disciplinary or other sanction to be pronounced against a staff member of the market operator.

9. Prevention and detection of market manipulation

- 9.1. Reporting about the findings and the actions undertaken with regard to the prevention and detection of possible cases of market manipulation during a period determined by the BFIC.

⁴ This section refers to the financial statements available on the basis of company law.

⁵ The information shall only be asked for after the relevant regulation has been issued.

⁶ The information shall only be asked for after the relevant regulation has been issued.

10. Group structure

- 10.1. If available, notification of all changes (of 10 % or any multiple of 5 %) to the list of shareholders. If a listed company has to comply with transparency obligations, please provide a copy of the notifications made within that framework.
- 10.2. Notification of all changes to the structure of the group of which the market operator forms part (organization chart, participating interests expressed in %, ...).
- 10.3. Notification of all changes to the different reporting lines between the market operator and the group of which it forms part (per activity).

11. Additional information

- 11.1. If applicable, all changes to the information concerning the additional conditions referred to in Article 16, paragraph 2 of the Law which the Minister of Finance deems necessary to ensure the protection of the interests of investors and the proper operation, integrity and transparency of the markets organized by the market operator.
- 11.2. With regard to the non-regulated markets organized by the market operator or by one of its subsidiaries:
 - Provision of information about each additional non-regulated market. Detailed description of its nature and activity. Copy of the rules and the applicable procedures. Description of the organization of that non-regulated market (organization chart, reporting lines, persons with managerial responsibilities, ...). Notification and copy of all amendments to the rules, procedures and organization.
 - Notification of the discontinuation or suspension of each non-regulated market organized by the market operator or by one of its subsidiaries.



SUPERVISION OF THE REGULATED MARKETS

Articles 3 up to and including 13 of the Law

I. Basic file

1. Regular operation of trading on the market
 - 1.1. Detailed description of the way in which the regular operation of trading on the market is guaranteed.
 - 1.2. Copy of the relevant procedures.
 - 1.3. Detailed description of the measures taken in case the regular operation has been / is being disrupted.

2. Market rules – General
 - 2.1. Copy of the market rules of the regulated market.
 - 2.2. Description of the way in which the proper operation, integrity and transparency of the market in accordance with Article 8 of the Law is ensured. Copy of the relevant procedures.

Excerpt of Article 8: “..., the market rules of a Belgian regulated market shall:

 - 1° organize trading in such a way as to promote efficient and transparent price-fixing in the interest of all investors;*
 - 2° provide appropriate executive measures for fixing the key reference prices, including daily closing prices, and for the creation of derivative instruments and indexes, in order to make those prices, instruments and indexes less susceptible to manipulation and other market abuses;*
 - 3° lay down appropriate procedures for the filtering of orders, including adequate control procedures where orders are transmitted electronically;*
 - 4° provide appropriate measures for orders to be frozen or trading to be interrupted should prices become too volatile.”*
 - 2.3. Description of the way in which the market operator has taken the necessary steps to avoid its commercial interests jeopardizing the execution of its tasks as “listing authority” (cf. also Article 7, § 5 of the Law).
 - 2.4. Overview and copy of the applicable instructions and circulars issued in execution of the market rules.
 - 2.5. Declaration and justification that the market rules do not contain provisions whose purpose or result is to restrict competition between market members or between the market and other organized markets for financial instruments (Article 5, § 2 of the Law).

3. Market rules – Members

- 3.1. List of the market members. Please specify the activity for which the members are admitted.
- 3.2. Description of the way in which the market members are contractually bound to comply with the market rules. Copy of a standard membership contract. Description of the derogations which can/may be permitted from that standard membership contract. Copy of the relevant IT contracts (standard contract + derogations which can/may be permitted from the standard contract).
- 3.3. Description of the procedure and the different steps of the decision-making process regarding the admission, suspension and exclusion of members to and from the market. Please indicate the competent departments/persons for each of those steps.
- 3.4. Copy of the procedure describing the elements taken into consideration to assess whether a member satisfies the conditions of Article 6, § 2 of the Law.

Article 6, § 2 – The market rules of a Belgian regulated market shall stipulate that, in order to be admitted to that market, the applicant is required to satisfy the following conditions:

 - 1° to possess the necessary qualities to ensure the protection of the interests of investors and the proper operation, integrity and transparency of the market;*
 - 2° to possess adequate human, technical and information-technology resources to ensure the proper operation of its market activities;*
 - 3° to possess sufficient experience with regard to trading in the types of financial instrument that are traded on the market.*
- 3.5. Description of the way in which the regulated market supervises compliance with the market rules by the market members (e.g. the obligations and prohibitory provisions applicable to the market members). Copy of the relevant procedures. Please indicate the competent departments/persons.
- 3.6. List and description of the nature of the sanctions which the regulated market may impose for infringement of the market rules by members. When and how are those sanctions imposed and implemented ? Copy of the relevant procedures.

4. Market rules – Issuers

- 4.1. List of the obligations imposed by the regulated markets to the issuers.
- 4.2. Description of the way in which the regulated market supervises compliance with the market rules and, where appropriate, imposes sanctions on the issuers of financial instruments admitted to trading on the market. Copy of the relevant procedures.
- 4.3. Description of the procedure and the different steps of the decision-making process regarding the admission, suspension and exclusion of a member to and from the market. Please indicate the competent departments/persons for each of those steps.

- 4.4. Description of the way in which the regulated market takes action against the infringement of the market rules by the issuers. Copy of the relevant procedures.
 - 4.5. List and description of the nature of the sanctions which the regulated market may impose for infringement of the market rules by issuers. When and how are those sanctions imposed and implemented? Copy of the relevant procedures.
 - 4.6. Procedure regarding the professional secrecy by which the staff members are bound who are involved in the execution of the tasks referred to in Article 7, §§ 2 to 4 of the Law. Description of the way in which those staff members have been informed of that professional secrecy (Article 7, § 6 of the Law).
5. Market rules – Financial instruments
 - 5.1. Description of the various categories of financial instruments admitted to trading on the regulated market, as well as of the specific rules applicable to each category (Article 7, § 1 of the Law).
 - 5.2. Description of the application of the rules and procedures for the reporting and transparency of transactions, with due regard to the provisions laid down in application of Article 9 of the Law.
6. Adequate IT systems
 - 6.1. Description of the structure and functioning of the trading platform. Copy of the detailed procedures. Please distinguish between the different submarkets and/or segments.
 - 6.2. Description and justification of the way in which the transparency obligations referred to in Article 9 of the Law can be complied with (cf. also Article 4, 3° of the Law).
 - 6.3. Copy of the procedures regarding the detection of market abuses. Please indicate the competent departments/persons.
 - 6.4. List of each linking of the regulated market to any trading platform or centralized automated trading system that is established together with one or more other secondary markets for financial instruments.
7. Transparency of the transactions
 - 7.1. Procedures regarding the transparency of the transactions in financial instruments admitted to trading on the market, in accordance with Article 9 of the Law. Please indicate the competent departments/persons.
8. Clearing and settlement systems
 - 8.1. Description of the way in which the clearing and settlement of transactions is organized.
 - 8.2. Declaration that those clearing and settlement systems offer sufficient guarantees for the protection of the interests of participants and investors, and for the proper operation of the market.

8.3. Description of the decision-making process with regard to the authorization of new and/or alternative clearing and settlement systems. Please indicate the competent departments/persons.

9. Structural measures and emergency plans

9.1. Procedure regarding the structural measures and emergency plans in the event of disruption of the market (e.g. contingency plan and disaster recovery procedure).

10. Regulated market – Miscellaneous

10.1. List of the agreements establishing mutual access of members between the regulated market and one or more other secondary markets for financial instruments (Article 12, § 1 of the Law).

10.2. All amendments to the basic file must be notified to the BFIC without delay (cf. also “Occasional information”).

II. Occasional information

1. Market rules – General

1.1. Notification of all amendments to the market rules.

1.2. Communication of the instructions and circulars issued in execution of the market rules in accordance with Article 5, § 4 of the Law⁷.

1.3. Overview (twice a year) of the number and nature of the discovered infringements of the market rules, as well as of the number of the sanctions imposed and their nature.

1.4. Overview of and report about (four times a year) the number and nature of:

- the admission, suspension and deletion of financial instruments,
- problems with the organization of an efficient and transparent price-fixing,
- problems with the fixing of key reference prices, ...
- technical problems with the trading platform, including the duration of those problems.

1.5. Report (once a year) about the application of the measures taken by the market operator in application of Article 7, § 5 of the Law.

2. Market rules – Members

2.1. Notification of each demand of a candidate member and status of the demand.

2.2. Membership list (twice a year). Please distinguish between the activities in function of their nature, and between the various submarkets and/or segments. Please give an overview of all changes vis-à-vis the previous period, as well as of their nature (new member, exclusion, deletion as a result of a merger, ...).

⁷ This provision is not of a nature to be prejudicial to a possible existing or agreed practice of informal prior verification of those instructions or circulars by the BFIC or its departments.

- 2.3. Overview (four times a year) of the investigations by the market operator into the compliance with the obligations and prohibitory provisions applicable to the market members (as well as of the results of those investigations).
 - 2.4. Communication to the BFIC of each file about the members which is filed with the competent organs of the market operator, including a description of the circumstances, the infringements discovered and the possible sanctions imposed.
 - 2.5. Overview (four times a year) of all sanctions imposed on third parties by the regulated market.
 - 2.6. Notification to the BFIC before the actual exclusion of a member in accordance with Article 6, § 4 of the Law.
3. Market rules – Issuers
 - 3.1. Communication to the BFIC of each file about the issuers which is filed with the competent organs of the market operator, including a description of the circumstances, the infringements discovered and the possible sanctions imposed.
 - 3.2. Provision of information about deviating and significant applications of the existing regulation.
 - 3.3. Overview of the application and the results of the continuous obligations of the issuers (twice a year).
 - 3.4. Overview (four times a year) of the number and nature of the suspension decisions and of the decisions to execute a transaction, as well as of all sanctions imposed on issuers.
4. Market rules – Financial instruments
 - 4.1. Provision of information about each new financial instrument admitted to trading.
 - 4.2. List of the financial instruments admitted to trading (twice a year). Overview of all changes vis-à-vis the previous period, as well as of their nature. Please distinguish between the different submarkets and/or segments.
 - 4.3. Prior notification of the decision to remove a financial instrument in accordance with Article 7, § 4 of the Law.
 - 4.4. Provision of information about deviating and significant (i.e. having a direct impact on the functioning of the regulated market) applications of the existing regulation.
5. Adequate IT systems
 - 5.1. Immediate notification of each problem with the trading platform which has/had an influence on the trading.
 - 5.2. Overview (twice a year) of the number of cases in which orders were frozen or trading was interrupted when prices became too volatile, indicating for each case how long the orders were frozen or the trading interrupted.
 - 5.3. List of all incidents involving the trading platform (twice a year). If applicable, please distinguish between the various submarkets and/or segments.

- 5.4. Notification of each linking of the regulated market to a trading platform of another market.
6. Transparency of the transactions
 - 6.1. Notification of possible incidents with regard to the transparency of transactions which have/had an important or special impact on the functioning of the market.
 - 6.2. Overview of the number of, details about and impact of incidents with regard to the transparency of transactions (twice a year). Please distinguish between the various submarkets and/or segments.
7. Clearing and settlement
 - 7.1. Notification of all changes to the clearing and settlement systems with an impact on the functioning of the regulated market.
8. Structural measures and emergency plans
 - 8.1. Notification of each application of an emergency plan or a structural measure (contingency plan or disaster recovery procedure) which has – or may have – an immediate and major impact on the functioning of the regulated market or on its users (both issuers and members).
 - 8.2. Notification of each exceptional disruption of the orderly operation of a regulated market.
 - 8.3. List of all applications (twice a year) of structural measures or emergency plans (contingency plan or disaster recovery procedure). Please explain the reason for as well as the duration and the impact of each application as well as the solution opted for.
9. Regulated market – Miscellaneous
 - 9.1. Prior notification of any agreement establishing mutual access of members (cross-membership / cross-access) as referred to in Article 12, § 1 of the Law.
 - 9.2. All changes to the basic file must be notified to the BFIC without delay.

