

## LONDON NOTICE No. 2723

ISSUE DATE: 21 December 2005

EFFECTIVE DATE: 1 January 2006

### SUBSCRIPTIONS, FEES AND CHARGES FROM 1 JANUARY 2006

#### Executive Summary

This Notice informs members of the subscriptions, fees and charges from 1 January 2006.

1. The Exchange has determined the subscriptions, fees and charges that shall become effective on and from 1 January 2006 for the London market. These are set out in the Attachment to this Notice.
2. The charge for the annual Membership Subscription and all transaction fees remain unchanged.
3. Charges for post trade services are now listed on an annual rather than a quarterly basis, and TRAMP IP services will now be charged on a “per IP connection” basis rather than a “per market” basis.

For further information in relation to this Notice, members should contact their Account Manager.

Web site: [www.euronext.com/derivatives](http://www.euronext.com/derivatives)

The **Euronext Derivatives Markets** ("**Euronext.liffe**") include the markets for derivatives operated by Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euronext Paris and LIFFE Administration and Management, referred to respectively as the Amsterdam, Brussels, Lisbon, Paris and London markets.

**Euronext NV, PO Box 19163, 1000 GD Amsterdam, The Netherlands**

## THE LONDON MARKET

### SUBSCRIPTIONS, FEES AND CHARGES FROM 1 JANUARY 2006

The following rates apply with effect from 1 January 2006 until further notice. All charges listed below are shown in Pounds Sterling (unless stated otherwise) and are exclusive of any applicable VAT. Explanatory notes are provided on pages 7 - 9.

<u><b>From</b></u>	<u><b>As at</b></u>
<u><b>1.1.06</b></u>	<u><b>31.12.05</b></u>

#### 1. CHARGES APPLICABLE TO ALL MEMBERS

<b>Membership Subscription</b>	£5,000	£5,000
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#### 2. TRANSACTION CHARGES (per side, per lot)<sup>1</sup>

Note: The Exchange from time to time provides contract-specific incentive schemes. These are covered by separate Notices.

Interest Rate Futures and Options Contracts (excluding Swapnote <sup>®</sup> Futures & Options, Euroyen (TIBOR) Futures, Eurodollar Futures & Options, One Month Euro Overnight Index Average ("EONIA") Indexed Contract, Euribor Options and Short Sterling Options)	£0.25	£0.25
Swapnote <sup>®</sup> Futures and Options Contracts	£0.15	£0.15
Euroyen (TIBOR) Futures Contract	¥45	¥45
Three Month Eurodollar Futures & Options (including One Year Mid-Curve Options)	\$0.39	\$0.39
One Month Euro Overnight Index Average ("EONIA") Indexed Contract	£0.15	£0.15
Euribor & Short Sterling Option Contracts (including One Year Mid-Curve Options)	£0.22	£0.22
Equity Index Futures and Options Contracts (excluding FTSEurofirst 80 and 100 Index Futures and Options)	£0.25	£0.25
FTSEurofirst 80 and FTSEurofirst 100 Index Futures & Options Contracts	£0.15	£0.15
Universal Stock Futures ("USF") Contracts (other than those available through the MATCH Facility)	£0.25	£0.25
USF Contracts available through the MATCH Facility <sup>2</sup>	1 basis point	1 basis point
Individual Equity Option Contracts	£0.37	£0.37
Stock legs of Stock Contingent Trades (including those executed through Bclear)	Nil	Nil
Commodity Futures Contracts <sup>3</sup>	£0.50	£0.50
Commodity Option Contracts	£0.25	£0.25

### 3. BCLEAR TRANSACTION CHARGES<sup>4</sup>

#### Individual Equity Options

	Per side, per lot	Fee cap	
		Proprietary Business	Client Business
Austrian	€0.15	€80	€160
Belgian	€0.15	€80	€160
Danish	€0.15	€80	€320
Dutch	€0.15	€80	€160
Finnish	€0.15	€80	€320
French	€0.15	€80	€160
German	€0.05	€80	€160
Greek	€0.15	€80	€320
Irish	€0.15	€80	€160
Italian	€0.10	€80	€160
Norwegian	€0.15	€80	€320
Portuguese	€0.15	€80	€160
Spanish	€0.05	€80	€320
Swedish	€0.15	€80	€320
Swiss	€0.15	€80	€320
UK	£0.25	£60	£120

#### Index Futures & Options

	Per side, per lot	Fee cap	
		Proprietary Business	Client Business
FTSE 100 Index Futures & Options	£0.22	£600	£1,200
CAC 40 <sup>®</sup> Index Futures & Options	€0.30	€800	€1,600
AEX <sup>®</sup> Index Futures & Options	€0.70	€800	€1,600
BEL 20 <sup>®</sup> Index Futures & Options	€0.30	€800	€1,600
PSI 20 <sup>®</sup> Index Futures	€0.30	€800	€1,600
FTSEurofirst 80 Index Futures & Options	£0.15	£600	£1,200
FTSEurofirst 100 Index Futures & Options	£0.15	£600	£1,200
FTSE 250 Index Futures	£0.22	£600	£1,200
FTSE Eurotop 100 Index Futures	£0.22	£600	£1,200
FTSEurofirst 300 Index Futures	£0.22	£600	£1,200
MSCI Euro Index Futures	£0.22	£600	£1,200
MSCI Pan-Euro Index Futures	£0.22	£600	£1,200

#### 4. CHARGES APPLICABLE TO COMMODITY CONTRACTS

	<b><u>From</u></b> <b><u>1.1.06</u></b> £	<b><u>As at</u></b> <b><u>31.12.05</u></b> £
<u>Grading fees (seller only)<sup>5</sup></u>		
Cocoa		
Standard Delivery Unit	48	48
Standard Delivery Unit – appeal	55	55
Large Delivery Unit	320	320
Large Delivery Unit – appeal	370	370
Bulk Delivery Unit	2,600	2,600
Bulk Delivery Unit – appeal	2,800	2,800
Robusta Coffee	19	19
Robusta Coffee – appeal	50	50
<u>Tender Fees</u>		
Wheat	2	2

#### 5. CHARGES APPLICABLE TO LIFFE CONNECT<sup>®</sup>

These charges are applicable to customers located within 5km of the Euronext.liffe points of presence (“PoPs”) in London, Paris, Brussels, Amsterdam and Lisbon.

Account managers will notify those members whose locations are further than 5km from the appropriate PoP and inform them of applicable charges.

Members located in countries other than Belgium, France, The Netherlands, Portugal, and the United Kingdom will have a Minimum Annual Volume Requirement<sup>6</sup> (“MAVR”). LIFFE General Notice No. 2093, issued on 30 August 2002, provides further information in connection with these charges.

The LIFFE CONNECT<sup>®</sup> market infrastructure is also able to support Post Trade Services. The charges for Post Trade Services are noted in section 7 below.

##### Installation of network access connections to LIFFE CONNECT<sup>®</sup>

	<b><u>From</u></b> <b><u>1.1.06</u></b> €	<b><u>As at</u></b> <b><u>31.12.05</u></b> €
Each Standard <sup>7</sup> connection, including gateways	12,500	12,500
Each HSRP <sup>7</sup> connection, including gateways	32,500	N/A
Upgrade of Standard to HSRP connection, including gateways <sup>8</sup>	20,000	N/A
Each additional gateway	5,000	5,000

<b>Annual rentals</b>	<b>€</b>	<b>€</b>
Each Standard or HSRP connection	25,000	25,000
Each VAN connection	15,000	17,500
Each ASP <sup>9</sup> connection	10,000	12,500
Each VPN connection	5,000	5,000

## Relocations and Moves<sup>10</sup>

For this type of change, Euronext.liffe strongly recommends a parallel installation, installed on the same basis as shown on the previous page. Please contact your Account Manager for further information.

## 6. PRICE INJECTION CHARGES<sup>11</sup>

For all products other than Euribor Futures, these charges relate to the daily usage of bandwidth based on the limits specifically allocated to each member. The charge is per message.

	<b><u>From</u></b> <b><u>1.1.06</u></b> £	<b><u>As at</u></b> <b><u>31.12.05</u></b> £
Up to message allocation	No charge	No charge
Between 100% and up to 110% of message allocation	£0.070	£0.070
Above 110% and up to 120% of message allocation	£0.140	£0.140
Above 120% of message allocation	£0.175	£0.175

For Euribor Futures only, a 2:1 order-to-trade ratio applies (i.e. the Automated Price Injection Model must achieve 1 lot traded for every 2 order messages to avoid charges). Any messages which exceed the 2:1 ratio will be charged at 17.5p.

## 7. POST TRADE SERVICES

This section details annual service charges for access to post trade data. Where LIFFE CONNECT<sup>®</sup> market infrastructure exists or is being ordered, there are no additional infrastructure charges. For customers without LIFFE CONNECT<sup>®</sup> market infrastructure, LIFFE offers two access solutions: (i) a 64k leased line solution; and (ii) a Virtual Private Network (“VPN”) solution. Charges for a 64k leased line or a VPN solution are in addition to any post trade services accessed via such solutions.

	<b><u>From</u></b> <b><u>1.1.06</u></b> £	<b><u>As at</u></b> <b><u>31.12.05</u></b> £
<b>Infrastructure Charges</b>		
<b>LIFFE CONNECT<sup>®</sup> infrastructure</b>	No extra charge	No extra charge
<b>64k solution</b>		
Installation per 64k infrastructure	5,000	5,000
Rental per 64k infrastructure	5,000	5,000
<b>VPN via the Internet<sup>12</sup></b>		
Set-up per VPN connection	1,500	1,500
Rental per VPN connection	2,000	2,000

	<b><u>From</u></b> <b><u>1.1.06</u></b> £	<b><u>As at</u></b> <b><u>31.12.05</u></b> £
<b>Annual Service Charges</b>		
<b>TRS “terminal type” access<sup>13</sup></b>		
Each IP connection	3,000	3,000
<b>TSCS PC Gateway</b>		
TSCS IP connection with PC Gateway software	15,000	15,000

<b>TRAMP IP connection</b>		
Each connection	12,500 per market	12,500 per market

## **Explanatory Notes**

### **1. Transaction Charges**

The transaction charges set out in section 2 only relate to those transactions that are effected/submitted through LIFFE CONNECT®.

LIFFE Recognised Strategy Trades in Interest Rate, Equity Index and Equity Option Contracts (excluding Euribor and Short Sterling Option Contracts) will continue to be treated at just one and a half times the normal per lot fee irrespective of the number of legs involved in the strategy. In the case of Equity and Index Options, these rebates do not apply to volatility trades and Stock Contingent Trades.

Unless explicitly stated otherwise, transaction charges do not include LCH.Clearnet Ltd clearing fees, tender fees, cash settlement and options exercise and assignment fees.

### **2. USF Contracts available through the MATCH Facility**

The LIFFE transaction fee in respect of USFs traded through the MATCH Facility will be 0.01% (1 basis point) of the notional value per side per lot, i.e.:

$((\text{contract price} \times \text{size of the contract}) \times \text{number of contracts traded}) \times 0.01/100.$

### **3. Cocoa Futures Levy**

A penny per side, per lot will be added to the Cocoa Futures transaction charge for The Biscuit, Cake, Chocolate and Confectionery Alliance.

### **4. Bclear Transaction Charges**

Fees will be charged on a per side, per lot basis, subject to a fee cap per transaction. Such fee caps shall apply to all products. The fee caps differ depending on whether business is allocated to the member's own/House account or to the member's client accounts. For trades with multiple legs, each leg is charged separately, up to the fee cap (i.e. for these purposes, each leg is treated as a separate transaction).

Members should note that the existing transaction charges applicable to recognised strategy trades in respect of LIFFE CONNECT® business will not apply to recognised strategy trades reported through Bclear.

### **5. Grading Fees**

The Exchange intends to introduce a supervised sampling regime for the Cocoa and Robusta Coffee Futures Contracts. As a result, it is envisaged that there will be an increase in grading fees during the second half of 2006.

### **6. Minimum Annual Volume Requirement**

The MAVR is the minimum total amount of transaction fees which a member must pay to the Exchange for each calendar year. LIFFE will credit the member's MAVR in respect of the fees paid by the member for its traded volume executed on LIFFE CONNECT® at the rates of credit established by the Exchange and notified to the member.

An MAVR applies to each direct network access connection to LIFFE CONNECT® (excluding access via a Value Added Network) for all members located outside Belgium, France, The Netherlands, Portugal and the United Kingdom.

In respect of a member's first connection, a deposit for the MAVR may be required. (The size of deposit will vary with location.) Any deposit that may have been paid by the member will be refunded once the MAVR has been met in full.

In respect of most members who are active on LIFFE CONNECT<sup>®</sup>, the credit against the MAVR referred to above is likely to be sufficient so as to ensure that no “un-recovered” MAVR will arise. However, if the member fails to trade sufficient business to meet its MAVR, the member will be required to pay LIFFE the difference between the MAVR and the actual amount of transaction fees paid by the member to LIFFE for the first MAVR year. In the second and subsequent MAVR years, LIFFE may invoice the member for this difference on a three-monthly pro-rata basis.

For each new connection the annual period over which the MAVR will be calculated will commence at the date of a member becoming active on LIFFE CONNECT<sup>®</sup> or sixty days from the date of installation. The “installation date” shall be construed as the date on which, at the sole discretion of LIFFE, the installation has been completed.

For the avoidance of doubt, in the event that the member is or subsequently becomes a Market Maker, the member will still be required to fulfil its MAVR. All trades by a Market Maker contribute towards the MAVR, whether they are discounted (in part or in full) or fully chargeable. In cases where the trades are discounted, the full listed price of the transaction is credited to the MAVR requirement.

#### **7. Standard connection/HSRP connection**

A LIFFE CONNECT<sup>®</sup> Standard connection consists of two high speed data circuits, one router, one network switch and two LIFFE CONNECT<sup>®</sup> gateways. A LIFFE CONNECT<sup>®</sup> HSRP connection consists of two high speed data circuits, two routers, two network switches and four LIFFE CONNECT<sup>®</sup> gateways. If a customer needs more than the allotted number of gateways, additional gateways can be ordered at a charge of €5,000 each.

#### **8. Upgrade of Standard to HSRP connection**

For a one-off charge of €20,000, customers can have a LIFFE CONNECT<sup>®</sup> Standard connection upgraded to an HSRP connection. The HSRP installation will include four gateways. If the customer requires more than four gateways, then these can be provided at the same time as the upgrade at a charge of €5,000 per each additional gateway.

#### **9. Application Service Providers (“ASPs”)**

ASPs offer managed services to Euronext.liffe customers by housing their gateways and infrastructure within a data centre.

#### **10. Relocation and Moves**

For relocation of LIFFE CONNECT<sup>®</sup> market infrastructure to new premises, LIFFE recommends a parallel installation, as this is relatively risk free compared with moving PTT circuits and LIFFE equipment on a nominated date. If the customer prefers the B end shift option, PTT costs for shifting the circuits will be added to the LIFFE installation costs shown in Section 5. PTT costs for B end shifts are variable, dependent on the amount of work required to shift the circuits. For more information, please contact your Account Manager.

#### **11. Price Injection Charges**

The charging arrangements are set out in full in LIFFE General Notice No. 2370, issued on 5 March 2004.

#### **12. VPN Connection via the Internet**

The Virtual Private Network (or “VPN”) connection provides a method of accessing LIFFE’s Post Trade Services via the Internet. For more details about this offering, members should contact their Account Manager. The costs of any Post Trade Services provided via the VPN or 64k solutions are additional, as stated in Section 7.

#### **13. Trade Registration System (“TRS”) terminal type access**

Printers and asynchronous terminals are no longer provided by LIFFE for TRS terminal type services. All new requests for TRS terminal type services are now supplied as IP connections via customer



supplied terminal emulation software. The IP terminal connections are not location dependent. The asynchronous technology (modems and terminal servers) will be phased out in due course.

## **General**

The Exchange reserves the right to charge other than in accordance with the standard tariff.