

LONDON NOTICE No. 3494

ISSUE DATE: 30 August 2011
EFFECTIVE DATE: 3 October 2011

SHORT TERM INTEREST RATE ("STIR") FUTURES CONTRACTS**U.S. LIQUIDITY PROVIDER PROGRAMME****Executive Summary**

This Notice informs Members of the extension of the Liquidity Provider Programme in respect of Short Term Interest Rate ("STIR") Futures Contracts for eligible proprietary traders based in the United States. The Programme will be effective from 3 October 2011 to 30 March 2012 inclusive.

1. Introduction

- 1.1 London Notice No. 3407, issued on 18 March 2011, informed Members of the extension of the U.S. Liquidity Provider Programme ("the Programme") in respect of Short Term Interest Rate ("STIR") Futures Contracts for eligible proprietary traders based in the United States, until 30 September 2011.
- 1.2 This Notice informs Members that the Programme will be extended for a period of six months from **3 October 2011 to 30 March 2012**, based on existing terms and conditions.

2. Benefits of the US Liquidity Provider Programme

- 2.1 Subject to the terms and conditions summarised in this Notice, the Programme offers US based proprietary traders who are registered on the Programme ("USLPs") reduced Exchange trading fees as detailed in the table below:

USLP Fee Structure		
Monthly Volume (lots)	Net Fee per lot per side	Fee Rebate per lot per side
0 – 1,500	£0.25	£0.00
1,501 – 15,000	£0.20	£0.05
15,001 – 27,000	£0.15	£0.10
27,001 – 40,000	£0.10	£0.15
> 40,000	£0.25 ¹	£0.00

¹ The USLP Programme is designed as an introduction to LIFFE STIR Futures for U.S. based participants and as such the benefits are capped at 40,000 lots. Registered participants who transact in excess of 40,000 lots per calendar month may be eligible to apply for the Exchange's other incentive programmes (as described in section 4.2).

Web site: www.nyx.com/liffe

The **Euronext Derivatives Markets** comprise 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 is part of the NYSE Euronext group.

- 2.2 Reduced Exchange trading fees will be effected by way of rebates and will only be available in respect of Qualifying Business transacted by the USLP.
- 2.3 For the avoidance of doubt, the standard clearing fee of 3 pence per side, per lot will continue to apply.
- 2.4 USLPs may not be registered on any other Exchange Liquidity Provider Programme in respect of the Three Month Euro (EURIBOR), Three Month Euro Swiss Franc (Euroswiss), and/or Three Month Sterling (Short Sterling) Interest Rate Futures Contracts whilst they remain registered on the Programme.
- 2.5 Current USLPs will be deemed to continue on the Programme on and from 3 October 2011. USLPs who no longer wish to participate in the Programme must inform the Exchange in writing as soon as is practicably possible.

3. Qualifying Business

- 3.1 “Qualifying Business” shall be business which satisfies the following criteria:
 - (a) is business executed in the Three Month Euro (EURIBOR), Three Month Sterling (Short Sterling) and Three Month Euro Swiss Franc (Euroswiss) Interest Rate Futures Contracts (together the “Contracts”);
 - (b) is business assigned to a person registered by the Exchange as a USLP on the Programme; and
 - (c) is proprietary business of the USLP and not client business.

4. Eligibility Criteria for the Programme

- 4.1 To be eligible to participate in the Programme, traders must be U.S. based proprietary traders:
 - (a) who are registered with the CFTC as floor traders or floor brokers and whose principal activities include trading futures on a discretionary basis for their own account; or
 - (b) whose principal activity is trading futures on a discretionary basis for their own account; or
 - (c) who are trading for the account of a U.S. entity whose principal activity is trading futures on a discretionary basis, such as proprietary trading groups, trading arcades and other institutional trading entities deemed eligible by the Exchange at its absolute discretion.
- 4.2 Individual USLPs will be permitted to terminate their USLP registration in order to transfer into the Euribor LP Programme, Sterling LP Programme, or Euroswiss LP Programme (collectively the “LP Programmes”), but will not subsequently be permitted to re-register as a USLP unless or until this Programme is renewed after 30 March 2012. Details concerning those LP Programmes can be found on the NYSE Euronext website (www.nyx.com/stirlpschemes).

5. Identification of Qualifying Business

- 5.1 Once an individual has been registered in the Programme, their Qualifying Business will be identified through a single unique entry into the User Specified field (a LIFFE CONNECT[®] field that translates into a single Account Reference in the Universal Clearing Platform (“UCP”)) (formerly known as TRS) used exclusively by that individual and solely for their activity in that capacity.
- 5.2 Applicants should be aware that after a LIFFE CONNECT[®] trade enters UCP, the Account Reference field can be amended through UCP post trade processing any time up until 21:30 hours (London time) on the same business day. As such, applicants should ensure that they submit in their application the final Account Reference based on market assigned trades for the Exchange to identify Qualifying Business accurately.
- 5.3 It is essential that submitted Account References are accurate as a simple error will result in Qualifying Business not being identified. For example, if Account Reference “ABC1” was submitted as “ABC”, no Qualifying Business would be identified and no trading fee rebates would be awarded.
- 5.4 **The Exchange stresses that any underpayment of trading fee rebates resulting from inaccurate application/registration details will not be corrected retrospectively by the Exchange.**
- 5.5 If a USLP decides to make changes to the trading and/or clearing arrangement which were detailed in the application, particularly those used by the Exchange to identify Qualifying Business (e.g. Clearer, Member and Account Reference details), it is the responsibility of the USLP to provide the Exchange with formal notification of such amendments in a timely manner, ideally in advance and in all cases by no later than close of business on the last business day of the month in which the change occurred. If this is not done, then only volumes transacted during the calendar month in which the notification of changes was received by the Exchange will be eligible for the benefits specified in paragraph 2.

6. Application Process

- 6.1 Members may register eligible U.S. based proprietary traders at any time throughout the duration of the Programme, up to and including the penultimate month of the Programme. To benefit from the rebate of Exchange trading fees in a particular calendar month, eligible U.S. proprietary traders must be registered with the Exchange in the Programme prior to the start of that calendar month.
- 6.2 Members wishing to register individual U.S. proprietary traders in the Programme should request a copy of the formal Terms and Conditions in respect of the Programme and an application form from Colleen Herbert. The Exchange reserves the right to limit participation in the Programme and shall accept individuals for participation at its absolute discretion.

7. Billing Arrangements

- 7.1 In relation to the Contracts, Exchange trading fees will be billed (as they are currently) to Clearing Members at the beginning of the following calendar month. This initial bill is calculated on the basis of the standard Exchange trading fee (currently 25 pence) per lot, per side for all delivery months.

- 7.2 The Exchange will calculate the rebates on Qualifying Business and make rebates directly to the USLP through their designated bank account (as provided on the application form), one month in arrears. For example, rebates for Qualifying Business transacted in October 2011 will be transferred to the USLP's bank account in November 2011.
- 7.3 In the event that any Qualifying Business which may give rise to a benefit under the terms of the Programme may also qualify as business giving rise to a benefit under any other Exchange liquidity provision, market making or other similar programme or arrangement ("other arrangement") (regardless of whether such programme or arrangement is an "incentive scheme" within the FSA's guidance), the Exchange will in its absolute discretion to take one or more of the following actions:
- (a) withhold the credit of any further rebates otherwise due under the other arrangements;
 - (b) withhold the credit of any further rebates otherwise due under the Programme;
 - (c) re-charge some or all of the rebates made under the other arrangements or the Programme; and
 - (d) terminate the Agreement governing the Programme by notice to the parties with immediate effect.
- 7.4 The Exchange reserves the right in its absolute discretion to terminate the Programme by Notice.

For further information in relation to this Notice, Members should contact:

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