

LONDON NOTICE No. 3410

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SHORT TERM INTEREST RATE (“STIR”) FUTURES CONTRACTS

STIR DISCOUNT SCHEDULE FOR REGISTERED LIQUIDITY PROVIDERS

Executive Summary

This Notice informs Members of the introduction of a discount schedule for Firms with individuals registered on the STIR Liquidity Provider Schemes.

1. Introduction

- 1.1 London Notice No. 3208, issued on 23 October 2009, informed Members of three new Liquidity Provider Schemes for individuals in Three Month Euro (EURIBOR), Three Month Sterling (Short Sterling) and Three Month Euro Swiss Franc (Euroswiss) Interest Rate Futures Contracts (the “STIR LP Schemes”).
- 1.2 Members should note that the STIR LP Schemes will now be referred to as the STIR LP Programmes and, individually, known as the Euribor LP Programme and Sterling LP Programme, alongside the previously renamed Euroswiss LP Programme.
- 1.3 The STIR LP Programmes will run until close of business on Wednesday 30 November 2011. A full list of the associated net Exchange trading fees for individual traders registered on the STIR LP Programmes (“Individual LPs”) can be found on the NYSE Euronext website (www.nyx.com/stirlpschemes).
- 1.4 This Notice informs Members of the introduction of a discount schedule for firms that have individuals registered on one or more of the STIR LP Programmes, and invites eligible Members or eligible clients of Members (together “Firms”) (see section 4 below) to apply.
- 1.5 The discount schedule (the “STIR Discount Schedule”) will run from Thursday 24 March 2011 until close of business on Wednesday 30 November 2011, and will be open to applicants up to and including Monday 31 October 2011. For applicants accepted during March 2011 the benefits of the STIR Discount Schedule will be applied to all Qualifying Business transacted within March 2011.

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. Benefits of the STIR Discount Schedule

2.1 Firms registered on the STIR Discount Schedule will benefit from the greater of:

- (a) the combined rebates owed during a calendar month to all Individual LPs who are owners, employees or contractors of the Firm and registered on the STIR LP Programmes; or
- (b) rebates through the Exchange trading fee discount resulting from the sum of all Qualifying Business of the Firm as applied to the STIR Discount Schedule set out in the table below:

| Monthly STIR Volume (Lots) | | Exchange Trading Fee Discount | Discount Fee |
|-------------------------------|-----------|----------------------------------|--------------|
| - | 500,000 | 0% | £0.250 |
| 500,001 | 1,000,000 | 30% | £0.175 |
| 1,000,001 | 2,000,000 | 40% | £0.150 |
| 2,000,001 | 3,000,000 | 50% | £0.125 |
| 3,000,001 | 4,000,000 | 60% | £0.100 |
| 4,000,001 | 5,000,000 | 70% | £0.075 |
| 5,000,001 | 6,000,000 | 80% | £0.050 |
| >6,000,000 | | 90% | £0.025 |

3. Qualifying Business

3.1 Under the STIR Discount Schedule, “Qualifying Business” is Firm business which must be:

- (a) executed in the following LIFFE futures contracts (the “Contracts”):
 - Three Month Euro (Euribor) Interest Rate Futures Contracts;
 - Three Month Sterling (Short Sterling) Interest Rate Futures Contracts;
 - Three Month Euro Swiss Franc (Euroswiss) Interest Rate Futures Contracts;
- (b) executed by, and assigned to a person registered by the Exchange as an Individual LP in each of the Contracts on the STIR LP Programmes;
- (c) executed by an Individual LP who is an owner, employee, or contractor of the Firm; and
- (d) Proprietary business of the Firm or of the Individual LP, and not client business.

Business which satisfies all the criteria set out above will qualify for the benefits described in section 2.1.

4. Eligibility of the Programme

4.1 The STIR Discount Schedule is only open to Firms who have individual traders registered on one or more of the STIR LP Programmes.

5. Application Process

5.1 The application forms for the STIR Discount Schedule will be available from Account Managers, and from the NYSE Euronext website (www.nyx.com/stirlpschemes). Those wishing to apply should complete the form and submit it to their Account Manager before 31 October 2011.

- 5.2 Firms wishing to apply should familiarise themselves with the STIR LP Programmes and ensure that they have individuals registered on the STIR LP Programmes prior to submitting an application form for the STIR Discount Schedule to their Account Manager. The Exchange's decision as to whether applications should be approved for the STIR Discount Schedule shall be final and binding.
- 5.3 The STIR Discount Schedule terms and conditions are attached to the application form. The Exchange advises every applicant to ensure that they have read and understood the Terms and Conditions, as the Terms and Conditions and applicable Notices govern participation in the STIR Discount Schedule (the "Agreement").
- 5.4 Ultimately, it is the responsibility of the applicant to ensure that all information included on the application form is complete and correct. Incorrect information will affect and possibly lengthen the application process and could affect the payment of Exchange trading fee rebates.

6. Identification of Qualifying Business

- 6.1 Once a firm has been registered, its Qualifying Business will be identified through the User Specified field (a LIFFE CONNECT[®] field that translates into a single Account Reference in the Trade Registration System ("TRS")) used exclusively by the Individual LP associated with the Firm.
- 6.2 Applicants should be aware that after a LIFFE CONNECT[®] trade enters TRS, the Account Reference field can be amended through TRS 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 References based on market assigned trades for the Exchange to identify Qualifying Business accurately.
- 6.3 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.
- 6.4 **The Exchange stresses that any underpayment of trading fee rebates resulting from inaccurate application/registration details will not be corrected retrospectively by the Exchange.**
- 6.5 If a registered Firm decides to make changes to the trading and/or clearing arrangements 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 Firm 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.

7. Other information

- 7.1 Exchange trading fees will be billed (as they are currently) to Clearing Members at the beginning of the following calendar month. This initial bill will be calculated on the basis of standard fees as published on the NYSE Euronext website (www.nyx.com/subsfeescharges). The Exchange will then calculate the discount on Qualifying Business for registered Firms and make rebates to Clearing Members during the following calendar month. For example,

rebates for Qualifying Business transacted in March 2011 will be calculated in April 2011 for payment to Clearing Members at the beginning of May 2011.

- 7.2 In the event that any business which may give rise to a benefit under the terms of the STIR Discount Schedule and the STIR LP Programmes may also qualify as business undertaken by the Firm giving rise to a benefit under any other Exchange liquidity provision, market making or other similar programme or arrangement (regardless of whether such programme or arrangement is an “incentive scheme” within the FSA’s guidance), the Exchange will in its absolute discretion take one or more of the following actions:
- (a) withdraw the credit of any further rebates due under the STIR Discount Schedule or the STIR LP Programmes;
 - (b) re-charge some or all of the rebates made under the STIR Discount Schedule or the STIR LP Programmes; and
 - (c) terminate the Agreement by notice to the parties with immediate effect.
- 7.3 The Exchange reserves the right in its absolute discretion to terminate the STIR Discount Schedule by Notice.

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

Fixed Income Derivatives

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