

LIFFE GENERAL NOTICE NO: 2637

ISSUE DATE: 6 April 2005
EFFECTIVE: 27 June 2005

THREE MONTH EURO (EURIBOR) INTEREST RATE FUTURES CONTRACT

EXTENSION OF TRADING HOURS

Executive Summary

This LIFFE General Notice informs members of an extension to the trading hours of the Three Month Euro (EURIBOR) Interest Rate Futures Contract.

1. Trading Hours

- 1.1 The Exchange has decided to extend the trading hours of the Three Month Euro (EURIBOR) Interest Rate Contract ("Euribor Futures Contract") in order to further its development as an international benchmark product.
- 1.2 **With effect from Monday 27 June 2005, the standard trading hours of the Euribor Futures Contract shall be 07:00 to 21:00 hours (London time).** There shall be no change to the trading hours of the Options on the Euribor Futures Contract.
- 1.3 Daily Settlement Prices for Euribor Futures Contracts and Options thereon shall continue to be established at 16:12 hours (London time).

2. Trading Hours on U.S. Public Holidays

- 2.1 LIFFE General Notice No. 2581, issued on 20 December 2004, advised members of the trading days in 2005 for all LIFFE products, including the Euribor Futures Contract.
- 2.2 LIFFE General Notice No. 2581 also described the trading arrangements for Three Month Eurodollar Interest Rate Contracts on U.S. public holidays. The Exchange has determined to adopt similar arrangements in respect of the Euribor Futures Contract on these days. Therefore, on U.S. public holidays trading in the Euribor Futures Contract shall cease at 18:00 hours (London time). A list of relevant U.S. public holidays for the remainder of 2005 can be found in the Attachment to this LIFFE General Notice.
- 2.3 Members should note that on Christmas Eve and New Year's Eve (or the market day immediately preceding such days where they fall at the weekend) the Exchange intends to continue its usual practice of closing by 12:30 hours (London time). Details of the precise trading hours for these days shall be published nearer the time in the usual manner.

3. Liquidity Conditions

- 3.1 The revised trading hours extend the availability of the Euribor Futures Contract outside normal business hours for the Euro-zone. As a consequence, members may expect liquidity during the additional trading hours to be at a lower level than is normally available during the current trading session for the Euribor Futures Contract.
- 3.2 To ensure a reasonable level of liquidity provision during the extended period, the Exchange will seek market making support. Further details of the market making scheme will be made available in due course.
- 3.3 Orders identified as “Good in Session” and “Good til Cancelled” will remain active until the close of trading at 21:00 hours (London time), unless amended. Members should consider the impact of likely liquidity conditions on such orders where they are maintained in the market during the additional trading hours and make any amendments to the characteristics of those orders as they deem appropriate.

4. Operational Implications

- 4.1 LIFFE CONNECT[®] standard session times for the Euribor Futures Contract on and from Monday 27 June 2005 shall be as follows:

Session Start	Pre-Open	Open	Pre-Close	Settlement	Close	Session Close
05:00	06:01	07:00	20:58	16:12	21:00	22:00

- 4.2 No change is anticipated to the operation of Financials TRS. Members should continue to ensure that all trade processing is completed within one hour of trade execution in accordance with current trade processing procedures (LIFFE Circular No. 99/28, issued on 25 February 1999, refers). Financials TRS will remain open until all post-trade administration has been completed for the Euribor Futures Contract as well as the Three Month Eurodollar Interest Rate Contracts. Depending on trading volume, the Exchange anticipates that Financials TRS shall continue to close at approximately 21:15 hours (London time).
- 4.3 Furthermore, it is anticipated that there will be no change to the timing of the generation and publication of the daily Financials HIT report and the Financials SPAN parameters and risk arrays files.
- 4.4 All other LIFFE products will be unaffected by the extension of trading hours for the Euribor Futures Contract.
- 4.5 The end-of-stream message for TSCS should continue to occur at approximately 22:05 hours (London time).

5. Staffing Implications for Members

- 5.1 Members should be aware that Euronext.liffe Rule 8106 (Rules, Book I) requires members to set up and maintain an appropriate system of internal controls which ensures that the member continuously complies with all requirements imposed by or pursuant to the Rules. Rule 8106 also requires members to have adequate arrangements to ensure that all staff involved in the conduct of business are suitable, adequately trained and properly supervised.

Such internal controls shall necessarily apply to any market activity which the member enters into in respect of the Euribor Futures Contract during the extension to the trading session.

- 5.2 Given the nature of the change being made, the Exchange considers it appropriate to provide an indication of appropriate member staffing requirements. This does not, however, detract from the generality of Rule 8106. The Exchange considers it appropriate for members conducting business in the Euribor Futures Contract to have staff available to perform risk management, compliance and trade processing functions during the period in which they are active in the market. Suitable supervisory staff should also be available.
- 5.3 The Exchange acknowledges that for some members there may be a limited level of activity during the latter part of the extended trading session and that therefore the risk management, compliance and trade processing functions may be carried out appropriately with a reduced staffing level. Similarly, some members may be able to make arrangements to transfer these functions to other operational centres. In such cases the member must ensure that the Exchange is able to contact the relevant personnel at all times.

6. Further Information

- 6.1 As noted in paragraph 3.2 above, the Exchange will be seeking market making support for the Euribor Futures Contract during the period between 18:00 hours and 21:00 hours (London time). Further details of the market making scheme will published in due course.
- 6.2 Members seeking further information in relation to this General Notice should contact their Account Manager at Euronext.liffe or email stirs@liffe.com.

BY ORDER OF THE BOARD

N E Carew Hunt
Market Secretary

Trading of the Euribor Futures Contract on U.S. Public Holidays in 2005

The Euribor Futures Contract shall be available for trading on all LIFFE market days in 2005. On U.S. public holidays, the Euribor Futures Contract shall close at the following times:

U.S. Public Holiday	Date	Closing Time (London time)
Independence Day	Monday 4 July 2005	18:00
Labor Day	Monday 5 September 2005	18:00
Columbus Day	Monday 10 October 2005	18:00
Veterans' Day	Friday 11 November 2005	18:00
Thanksgiving Day	Thursday 24 November 2005	18:00
Christmas Eve ¹	Friday 23 December 2005	By 12:30
New Year's Eve ¹	Friday 30 December 2005	By 12:30

¹ Precise details of the trading hours on these days will be published nearer the time in the usual manner.