

LONDON NOTICE No. 3097

ISSUE DATE: 12 December 2008
EFFECTIVE DATE: 22 December 2008

INTRODUCTION OF CREDIT DEFAULT SWAP INDEX CONTRACTS ON BCLEAR

Executive Summary

This Notice informs Members of the launch date for Credit Default Swap Index Contracts and confirms the trading arrangements for such Contracts.

1. Introduction

- 1.1 This Notice informs Members that, **subject to regulatory approval**, Credit Default Swap Index (“CDS”) Contracts will be made available on Bclear on and from Monday 22 December 2008.
- 1.2 Initially Contracts will be available on three Credit Default Swap Indices:
 - (a) Markit iTraxx Europe;
 - (b) Market iTraxx Crossover; and
 - (c) Markit iTraxx Hi-Vol.
- 1.3 This Notice also provides Members with the following additional information in respect of the CDS Contracts:
 - (a) Subscription, Trading Licences and Reporting Hours;
 - (b) Contract Codes;
 - (c) Transaction Fees; and
 - (d) US Regulatory Approval.

Web site: www.nyx.com/liffe

The **Euronext Derivatives Markets (“Liffe”)** 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. Subscription, Trading Licences and Reporting Hours

- 2.1 Members wishing to report trades in the CDS Contracts on Bclear must hold a valid Credit Default Swap subscription and should ensure that they are appropriately authorised to report such trades. Members wishing to obtain a CDS subscription should e-mail memberships@nyx.com. Any Member who wishes to report CDS Contracts via Bclear but is not entitled to clear such Contracts (see paragraph 2.3 below) should ensure in advance that its General Clearing Member provides written confirmation to LIFFE's Membership Department (memberships@nyx.com) that it is willing to clear CDS business.
- 2.2 To clear trades in the CDS Contract, Members must be either a General Clearing Member or an Individual Clearing Member in respect of Financial Futures Contracts and must have access to the CDS Trade Registration System ("LOTG TRS").
- 2.3 Clearing Members wishing to clear CDS Contracts and those Non-Clearing Members who wish to undertake their own position management on TRS will require new TRS log-ons and should e-mail memberships@nyx.com to request them.
- 2.4 Applications for TRS log-ons must be submitted to the Exchange by Thursday 18 December 2008 in order for Member testing to be completed and access on Monday 22 December 2008 to be ensured.
- 2.5 Bclear will be available for the reporting of Credit Default Swap Index Contract business from 08:00 hours to 18:00 hours (London time).

3. Contract Codes

- 3.1 The Trade Registration System ("TRS") codes for the Credit Default Swap Index Contracts are as follows:

Credit Default Swap Index Contract	TRS Code
Markit iTraxx Europe	I plus series (e.g. I09)
Markit iTraxx Crossover	R plus series
Markit iTraxx Hi-Vol	H plus series

4. Transaction Fees

- 4.1 Fees will be charged on a per lot, per side basis, subject to a fee cap per transaction. Details of transaction fees, including LCH.Clearnet Ltd fees (specifically, clearing fees) are as follows:

Fee per lot		Fee Caps			
		Proprietary Business		Client Business	
<i>Reporting</i>	<i>Clearing</i>	<i>Reporting</i>	<i>Clearing</i>	<i>Reporting</i>	<i>Clearing</i>
€0.90	€0.10	€90	€10	€360	€40

5. U.S. Regulatory Approval

- 5.1 Members should note that U.S. persons are not permitted to engage in Credit Default Swap Index Contracts on Bclear, pending achievement of the appropriate regulatory status with the relevant U.S. regulatory authorities. The Exchange will advise Members in due course if and when such status is achieved.

6. Contract Specification

- 6.1 The Contract Specification for the Credit Default Swap Index Contract and associated documentation will be provided in a subsequent Notice.

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

Fixed Income derivatives

+44 (0)20 7379 2222

cds@liffe.com