

## **LONDON NOTICE No. 3034**

ISSUE DATE: 16 May 2008  
EFFECTIVE DATE: 21 May 2008

**OPTION CONTRACT ON EQUITY RELATED SECURITIES  
(INCLUDING COMPANY SHARES, DEPOSITARY RECEIPTS AND EXCHANGE TRADED  
FUND SHARES) (EXCHANGE CONTRACT NO. 201F)**

**EQUITY RELATED SECURITY CONTRACT  
(INCLUDING COMPANY SHARES, DEPOSITARY RECEIPTS AND EXCHANGE TRADED  
FUND SHARES) (EXCHANGE CONTRACT NO. 211)**

**UNIVERSAL STOCK FUTURES CONTRACT  
(BASED ON COMPANY SHARES AND DEPOSITARY RECEIPTS)  
(EXCHANGE CONTRACT NO. 66F)**

**INTRODUCTION OF ADDITIONAL INDIVIDUAL EQUITY OPTION  
CONTRACTS AND UNIVERSAL STOCK FUTURES CONTRACTS BASED ON  
RUSSIAN DEPOSITARY RECEIPTS**

### **Executive Summary**

This Notice informs Members of the Exchange's intention to introduce additional futures and option contracts within Bclear based on Russian Depositary Receipts which are available for trading on the London Stock Exchange's International Order Book.

#### **1. Introduction**

1.1 This Notice informs Members of the Exchange's intention to introduce additional futures and option contracts within Bclear.

#### **2. Additions to the Lists of Contract Details**

2.1 On and from Wednesday 21 May 2008:

- (a) Additional flexible Individual Equity Option Contracts will be made available under the terms of Exchange Contract No. 201F on the company shares that are set out in Attachment 1 to this Notice. In addition, for the purposes of Stock Contingent Trades, further Equity Shares Contracts will be made available under the terms of Exchange Contract No. 211; and

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

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.

- (b) Additional flexible Universal Stock Futures Contracts will be made available under the terms of Exchange Contract No. 66F on the company shares set out in Attachment 2 to this Notice.

Updated Lists of Contract Details in respect of Exchange Contracts No. 201F, No. 211 and No. 66F will be made available on the Liffe website ([www.nyx.com/liffe](http://www.nyx.com/liffe)) and in the London Market Handbook in due course.

### **3. Statement in relation to Contracts on Equity Related Securities**

- 3.1 The Exchange draws the updated Statements, set out in Attachments 3 to 5, to the attention of Members. Members should ensure that their clients are made aware of the Statements.
- 3.2 Members are informed that the updated Statements will be added to the Terms of Exchange Contracts No. 66F, No. 201F and No. 211 with immediate effect, updated versions of which will be made available on the Liffe website in due course.

### **4. U.S. Regulatory Position**

- 4.1 Members should note that currently U.S. persons are not permitted to engage in transactions which are confirmed via Bclear.

### **5. Additional Information**

- 5.1 Additional information can be found on the Liffe website at the following address: [www.nyx.com/bclear](http://www.nyx.com/bclear).

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

Equity Product Management                      +44 (0)20 7379 2200                      equities@liffe.com

**ADDITIONS TO THE LIST OF CONTRACT DETAILS IN RESPECT OF EXCHANGE CONTRACT NO 201F  
OPTION CONTRACT ON EQUITY RELATED SECURITIES (INCLUDING COMPANY SHARES, DEPOSITARY RECEIPTS AND EXCHANGE TRADED FUNDS SHARES)**

KEY:

\* A business day in the context of the settlement period (i.e T+4) is described as a day on which a particular security can be settled in CREST or Euroclear, irrespective of a currency holiday in the local market.

AMR American Style Exercise

EUR European Style Exercise

CSH Cash Settled contracts

PHY Physical Delivery contracts

All times are London times

**RELEVANT STOCK EXCHANGE: LONDON STOCK EXCHANGE (INTERNATIONAL)**

Underlying	ISIN Code	TRS Code				Underlying Currency	Relevant Currency	Minimum Price Fluctuation	Minimum EDSP Price Increment	Lot Size (number of DRs)	Last trading day	Time trading ceases on the Last trading day	Reference Day	Daily Reference Price	Expiry Reference Price	Settlement Day*				Depository Bank	Ratio (shares per DR/DS)
		AMR/CSH	AMR/PHY	EUR/CSH	EUR/PHY											AMR/CSH	AMR/PHY	EUR/CSH	EUR/PHY		
Surgutneftegaz ADR	US8688612048	GGW	GGO	GGB	GGV	USD	USD	0.001	0.001	100	Expiry Day	15:30	Expiry Day	Official Closing Price	Official Closing Price	Market day immediately following the Reference Day	Fourth Business Day after Expiry Day	Market day immediately following the Reference Day	Fourth Business Day after Expiry Day	Bank of New York	50
MMC Norilsk Nickel ADR	US46626D1081	MOW	MOO	MNU	MOV	USD	USD	0.001	0.001	100	Expiry Day	15:30	Expiry Day	Official Closing Price	Official Closing Price	Market day immediately following the Reference Day	Fourth Business Day after Expiry Day	Market day immediately following the Reference Day	Fourth Business Day after Expiry Day	Bank of New York	1

**ADDITIONS TO THE LIST OF CONTRACT DETAILS IN RESPECT OF EXCHANGE CONTRACT NO 66F  
UNIVERSAL STOCK FUTURES CONTRACT  
(CASH SETTLED AND PHYSICAL DELIVERY CONTRACTS)**

## KEY:

<sup>1</sup> A business day in the context of the settlement period (i.e T+4) is described as a day on which a particular security can be settled in CREST or Euroclear, irrespective of a currency holiday in the local market  
All times are London times.

**RELEVANT STOCK EXCHANGE: LONDON STOCK EXCHANGE (INTERNATIONAL)**

Underlying	ISIN Code	TRS Code		Underlying Currency	Relevant Currency	Minimum Price Fluctuation	Minimum EDSP Price Increment	Lot Size (number of DRs)	Time trading ceases on Last Trading Day ("LTD")	Reference Day	Relevant Reference Price	Settlement Day		Depository Bank	Ratio (shares per DR/DS)
		Cash Settlement	Physical Delivery									Cash Settlement	Physical Delivery		
Surgutneftegaz ADR	US8688612048	GGD	GGH	USD	USD	0,001	0,001	100	15:30	LTD	Official Closing Price	Market day immediately following LTD	Fourth Business Day after LTD	Bank of New York	50
MMC Norilsk Nickel ADR	US46626D1081	MOD	MOH	USD	USD	0,001	0,001	100	15:30	LTD	Official Closing Price	Market day immediately following LTD	Fourth Business Day after LTD	Bank of New York	1
Unified Energy System of Russia GDR	US9046882075	UED	UEH	USD	USD	0,001	0,001	100	15:30	LTD	Official Closing Price	Market day immediately following LTD	Fourth Business Day after LTD	Deutsche Bank AG	100
Rostelekom ADR	US7785291078	RKD	RKH	USD	USD	0,001	0,001	100	15:30	LTD	Official Closing Price	Market day immediately following LTD	Fourth Business Day after LTD	JP Morgan	6
Gazprom Neft ADR	US36829G1076	GZD	GZH	USD	USD	0,001	0,001	100	15:30	LTD	Official Closing Price	Market day immediately following LTD	Fourth Business Day after LTD	Bank of New York	10

**Extract from Exchange Contract No. 66F**

26. Statement in relation to EDSP Price Formation

26.01 The Exchange draws the following statement to the attention of potential users of its Universal Stock Futures Contracts (“USF contracts”). Members should ensure that their clients are made aware of the statement.

“Statement in relation to EDSP Price Formation

Potential users of the USF contracts made available on The London International Financial Futures and Options Exchange should familiarise themselves with the relevant contract terms of those contracts. Potential users should also assess for themselves, or take professional advice in relation to, the risks inherent in any such investment, and in particular those having possible impact on a Contract’s pricing or value.

These include:

- (i) whether or not there is a relevant listing authority (UK or otherwise) which imposes obligations in relation to certain aspects of corporate behaviour or disclosure; and
- (ii) where a Contract is cash settled, possible influences on price formation in the underlying cash market which might affect the reference price used for settling the Contract, as explained below.

Price formation leading to the EDSP for the cash settled USF contracts is subject to similar influences to those in the case of many other cash-settled contracts. Trading activity on the relevant stock market during the EDSP period is likely to be affected by the activity of particular market participants who are seeking to obtain price convergence at the EDSP between offsetting stock and derivatives positions. Such participants might typically seek to achieve this by unwinding their stock positions during the EDSP period at prices which will, in turn, be used to determine the final EDSP. A consequence of this concentrated activity might be that the final EDSP differs from the share price immediately prior to the commencement of the EDSP period and, if relevant, from the share price immediately following that period.

Potential users should, therefore, consider the risks of holding positions into the expiry of the cash settled USF contracts. In particular, they should consider their exposure to potentially unfavourable price movements in the expiry and whether to take steps to neutralise such exposure; for example, taking into account that there may be relatively limited liquidity provision, whether to “roll” or close positions prior to expiry.”

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**Extract from Exchange Contract No. 201F**

30. Statement in relation to Option Contracts on Equity Related Securities

30.01 The Exchange draws the following statement to the attention of potential users of its Option Contracts on Equity Related Securities. Members should ensure that their clients are made aware of the statement.

“Statement in relation to Option Contracts on Equity Related Securities

Potential users of the Option Contracts on Equity Related Securities made available on The London International Financial Futures and Options Exchange should familiarise themselves with the relevant contract terms of the Option Contracts on Equity Related Securities. Potential users should also assess for themselves, or take professional advice in relation to, the risks inherent in any such investment, and in particular those having possible impact on a Contract’s pricing or value.

These include:

- (i) whether or not there is a relevant listing authority (UK or otherwise) which imposes obligations in relation to certain aspects of corporate behaviour or disclosure; and
- (ii) where a Contract is cash settled, possible influences on price formation in the underlying cash market which might affect the reference price used for settling the Contract, as explained below.

Price formation leading to the EDSP for the cash-settled Option Contracts on Equity Related Securities is subject to similar influences to those in the case of many other cash-settled contracts. Trading activity on the relevant stock market during the EDSP period is likely to be affected by the activity of particular market participants who are seeking to obtain price convergence at the EDSP between offsetting security and derivatives positions. Such participants might typically seek to achieve this by unwinding their securities positions during the EDSP period at prices which will, in turn, be used to determine the final EDSP. A consequence of this concentrated activity might be that the final EDSP differs from the security’s price immediately prior to the commencement of the EDSP period and, if relevant, from the security’s price immediately following that period.

Potential users should, therefore, consider the risks of holding positions into the expiry of the cash-settled Option Contracts on Equity Related Securities. In particular, they should consider their exposure to potentially unfavourable price movements in the expiry and whether to take steps to

neutralise such exposure; for example, taking into account that there may be relatively limited liquidity provision, whether to “roll” or close positions prior to expiry.”

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**Addition to Exchange Contract No. 211**

21. Statement in relation to Equity Related Security Contract

21.01 The Exchange draws the following statement to the attention of potential users of its Equity Related Security Contract. Members should ensure that their clients are made aware of the statement.

“Statement in relation to Equity Related Security Contract

Potential users of the Equity Related Security Contract made available on The London International Financial Futures and Options Exchange should familiarise themselves with the relevant contract terms of the Equity Related Security Contract. Potential users should also assess for themselves, or take professional advice in relation to, the risks inherent in any such investment, and in particular those having possible impact on a Contract’s pricing or value.

These include whether or not there is a relevant listing authority (UK or otherwise) which imposes obligations in relation to certain aspects of corporate behaviour or disclosure.”

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