

LONDON NOTICE No. 3142

ISSUE DATE: 31 March 2009
EFFECTIVE DATE: 1 April 2009

SHORT TERM INTEREST RATE FUTURES CONTRACTS

LIQUIDITY PROGRAMME FOR PROPRIETARY TRADERS BASED IN THE UNITED STATES

Executive Summary

This Notice informs Members of revisions to the Liquidity Programme in respect of Short Term Interest Rate (“STIR”) Futures Contracts for eligible proprietary traders based in the United States. The revised programme will be effective from 1 April 2009 to 31 March 2010 inclusive.

1. Introduction

- 1.1 London Notice No. 3109, issued on 23 December 2008, informed Members of the extension of, and revision to, the US Liquidity Programme (“USLP”) in respect of Short Term Interest Rate (“STIR”) Futures Contracts for eligible proprietary traders based in the United States.
- 1.2 This Notice informs Members that the USLP will be extended, on the revised terms explained in section 2 of this Notice, from **1 April 2009 to 31 March 2010 inclusive**.

2. Revisions to the USLP

- 2.1 The revised fee levels will come into effect on Wednesday 1 April 2009. Details of the revised fee arrangements are as follows:

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

- 2.2 Subject to the terms and conditions summarised in this Notice, the USLP provides registered U.S.-based proprietary traders who transact a minimum of 1,500 lots of Qualifying Business

¹ Traders who transact in excess of this threshold are eligible for the Exchange’s SLP Schemes detailed in paragraph 2.4.

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.

(see paragraph 3.2 below) during a calendar month with the reduced Exchange transaction fees as detailed in paragraph 2.1.

- 2.3 U.S. proprietary traders who are registered with the Exchange for the current USLP will be deemed to be registered for the revised USLP in effect from 1 April 2009.
- 2.4 Individuals registered in the USLP may not be registered in the other Liquidity Provider Schemes, including the Individual Liquidity Provider (“ILP”) Scheme and/or the Short Term Interest Rate (“STIR”) Liquidity Provider (“SLP”) Scheme in respect of the Euribor, Euroswiss, Eurodollar or Short Sterling Futures Contracts. Details concerning the other Liquidity Provider Schemes can be found on the NYSE Euronext website (www.nyx.com/liffe).

3. All Other Terms and Conditions

- 3.1 Reduced Exchange transaction fees (effected by rebates in the normal manner) will only be available in respect of Qualifying Business transacted by U.S. proprietary traders who are registered by the Exchange in the USLP.
- 3.2 “Qualifying Business” is business which satisfies the following criteria:
 - (a) is executed in the Euribor Futures Contract, Short Sterling Futures Contract, Eurodollar Futures Contract and Euroswiss Futures Contract (the “Contracts”);
 - (b) is transacted by a person registered by the Exchange in the USLP;
 - (c) is proprietary business of the person registered by the Exchange in the USLP and not client business; and
 - (d) is transacted and not market assigned volume.
- 3.3 To be eligible to participate in the USLP, traders must be U.S. domiciled 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.
- 3.4 Individuals registered in the USLP will be permitted to terminate their USLP registration in order to transfer into the SLP Scheme, but they will not subsequently be permitted to transfer back into the USLP until the end of the program on 31 March 2010.
- 3.5 In relation to the Contracts, Exchange transaction fee rebates for all Qualifying Business transacted by a registered USLP trader will be made one month in arrears. Exchange transaction fees are calculated on the basis of 25 pence per lot, per side for Euribor, Short Sterling and Euroswiss Futures Contracts and 39 U.S. cents per lot, per side for the Eurodollar Futures Contract. LCH.Clearnet clearing fees of 3 pence per side per lot will be applied to all Qualifying Business transacted by USLP traders.

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

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

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