

LONDON NOTICE No. 3307

ISSUE DATE: 14 July 2010
EFFECTIVE DATE: 15 July 2010

EQUITY INDEX CONTRACTS (EXCHANGE CONTRACT NO. 301)

INTRODUCTION OF FOUR ADDITIONAL INDEX FUTURES CONTRACTS BASED ON MSCI NET TOTAL RETURN INDICES

Executive Summary

This Notice informs Members of the introduction on Bclear of futures contracts based on four regional and country-specific MSCI Indices.

1. Introduction

- 1.1 This Notice informs Members that futures contracts based on four regional and country-specific MSCI indices, calculated on a “Net Total Return” basis (“the MSCI Net Total Return Index Contracts”), will be made available via Bclear on and from Wednesday 14 July 2010, from the August 2010 delivery month onwards.
- 1.2 This Notice provides Members with the following information with respect to the introduction of the MSCI Net Total Return Index Contracts:
- (a) list of the relevant MSCI indices;
 - (b) summary Contract Specifications and Contract Terms;
 - (c) minimum volume requirements;
 - (d) access and reporting rights;
 - (e) reporting days, reporting hours and Last Trading Days;
 - (f) fees;
 - (g) statement in relation to EDSP Price Formation; and
 - (h) the regulatory position in the United States.
- 1.3 This Notice also draws Members’ attention to certain changes to the terms of the generic Equity Index Contract Specification (Exchange Contract No. 301).

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. MSCI Net Total Return Indices

2.1 Members will recall that the Exchange introduced thirteen MSCI Net Total Return Index Contracts in February 2009. The MSCI Net Total Return Indices measure market performance, including both price performance and income from dividend payments.

2.2 Detailed information in respect of MSCI's Index methodology can be found on the MSCI Barra website at www.msctibarra.com.

2.3 The four MSCI Indices on which the Net Total Return Contracts are based are listed below:

- (a) MSCI EAFE ex Israel Index
- (b) MSCI World ex Israel Index
- (c) MSCI Japan Index
- (d) MSCI All Country Asia ex Japan Index

3. Contract Details and changes to Contract Terms

3.1 The Exchange will make MSCI Net Total Return Index Futures available via Bclear only. The summary Contract Specification is set out below:

Contract	MSCI Net Total Return Index Contracts
Unit of Trading	\$100 or \$10 x index level – dependent on the index
Delivery Months	The first six quarterly months from the March/June/September/December cycle; plus up to three of the nearest serial months such that the nearest four calendar months are available for trading; plus the half yearly months on the June/December cycle up to a maximum of two years
Quotation	\$US per Index point
Trading Tick Size	0.001
Trading Tick Value	\$0.10 or \$0.01 – dependent on the index
EDSP Tick Size	0.001
Last Trading Day	Thursday immediately preceding the Third Friday
Contract Standard	Cash settlement based on the Exchange Delivery Settlement Price
EDSP	Closing Index Value of the Index on the Last Trading Day of the delivery month
Settlement Day	Second Business day after the Last Trading Day
Reporting Hours	08.00 - 17.00 hours (London time)
Time reporting ceases on Last Trading Day	17.00 hours (London time)
NYSE Liffe market	London
Platform	Bclear only
Clearing	NYSE Liffe Clearing

3.2 On and from 14 July 2010, MSCI Net Total Return Index Futures shall be made available through Bclear under the terms of Exchange Contract No. 301. The only material changes to Exchange Contract No. 301 which are needed in respect of the MSCI Net Total Return Index Contracts are the additions to the table of Contract Details which is set out at Attachment 1.

An updated version of Exchange Contract No. 301 including other, minor, amendments will be made available on the NYSE Euronext website (www.nyx.com/liffe) in due course.

4. **Minimum Volume Requirement**

4.1 There is no minimum volume requirement in respect of MSCI Net Total Return Index Contracts.

5. **Access and Reporting Rights**

5.1 Direct access to Bclear is available to Members of the London market, including those affiliates of Members who have been approved by the Exchange pursuant to Rule 3601 (Rules, Book I). Other wholesale market participants who are clients of Members may have indirect access to Bclear on an intermediated basis via such Members, i.e. as is the case with their LIFFE CONNECT[®] business. Members will be required to perform appropriate risk management checks in relation to all client business before it is subjected to the Exchange's trade confirmation process.

5.2 To submit MSCI Net Total Return Index Contracts trades via Bclear, Members will need a Futures Subscription (FUT).

5.3 To claim trades only, Members will need to have the appropriate entitlement set up in the membership database.

5.4 To clear trades in MSCI Net Total Return Index Contracts, Members will require the relevant clearing status (GCM or ICM) and access to the Financials Trade Registration System ("Financials TRS").

6. **Reporting Days, Reporting Hours and Last Trading Days**

6.1 Transactions in respect of MSCI Net Total Return Index Contracts will be capable of being reported via Bclear:

- (a) in respect of those indices for which there is a single relevant stock exchange, on any market day on which the relevant stock exchange is open for business; and
- (b) in respect of those indices for which there is more than one stock exchange, on any market day.

A list of market days for 2010 on which transactions in MSCI Net Total Return Index Contracts will **not** be capable of being reported via Bclear forms Attachment 2 to this Notice.

6.2 Members may report MSCI Net Total Return Index Contract transactions to the Exchange via Bclear between 08:00 and 17:00 hours (London time), including on the Last Trading Day, unless otherwise specified.

6.3 The reporting arrangements explained in Section 12 of Book II of the Rules and section 6 of this Notice will, of necessity, determine the days and hours during which the relevant transactions may be undertaken.

6.4 The Last Trading Day for the MSCI Net Total Return Index Contracts shall normally be the Thursday preceding the third Friday of the delivery month. However, Members should refer to Term 4 in the attached Exchange Contract No. 301 and the definition of "business day" in Term 1 which have the following effect in respect of the Last Trading Day:

- (a) in respect of those Indices for which there is a single relevant stock exchange, the Last Trading Day may be moved to the following business day, in accordance with Term 4.02 where the relevant stock exchange is closed on that day; and
- (b) in respect of those Indices for which there is more than one stock exchange, the Last Trading Day will not ordinarily be moved unless all of the relevant stock exchanges are closed for business, subject to Term 4.03.

7. Fees

- 7.1 Transaction fees will be charged on a per lot, per side basis. These will be set at £0.47 per lot, per side for published trades and £0.57 per lot, per side for non-published trades.
- 7.2 NYSE Liffe Clearing fees will also be charged on a per lot, per side basis. These will be set at £0.03 per lot, per side.

8. Statement in relation to EDSP Price Formation

- 8.1 The Exchange draws the following statement to the attention of potential users of MSCI Index Futures. Members should ensure that their clients are made aware of the statement.

“Statement in relation to EDSP Price Formation

Potential users of the Equity Index Contracts made available on The London International Financial Futures and Options Exchange should familiarise themselves with the relevant Index compilation and calculation procedures, as well as the contract terms of the Equity Index Contract.

Price formation leading to the EDSP for the Equity Index Contracts is subject to similar influences to those in the case of many other cash-settled contracts. Trading activity on the relevant stock market(s) 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 futures positions. Such participants might typically seek to achieve this by unwinding their stock positions during the EDSP Period at prices which they anticipate will contribute to the calculation of Index figure which will, in turn, be used to determine the final EDSP. A consequence of this concentrated activity might be that the Index figure used to calculate the final EDSP differs from the Index level(s) implicit (since the Index is not calculated on a real time basis) from the prices of relevant stocks during the immediately preceding period.

Potential users should, therefore, consider the risks of holding positions into the expiry of the Equity Index 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.

Potential users should also be aware that, in respect of Equity Index Contracts based on Indices for which there is more than one relevant stock exchange, a “market day” will ordinarily be capable of being designated as a “business day”, and therefore a “Last Trading Day”, unless all relevant stock exchanges are closed for business.

Where the Last Trading Day occurs on a day where one or more of the relevant stock exchanges is closed for business, the EDSP will necessarily be derived from an Index figure containing some constituent stock prices which were determined on the most recent previous day on which each such stock exchange was open for business. In such circumstances, potential users should be aware that, as a consequence, the constituent stock prices

contributing to the Index figure used to calculate the EDSP will not all have been determined on the same day. Potential users should be aware that, in such circumstances, although some constituent stocks will not be available for trading on the Last Trading Day of the Contract, the prices of those constituent stocks as included in the Index calculation may, as a result of movements in foreign exchange rates, still be subject to change which would be reflected in the EDSP in accordance with the relevant Index compilation and calculation procedures.”

9. **U.S. Regulatory Position**

- 9.1 Members should note that U.S. Persons are not currently permitted to engage in transactions in MSCI Net Total Return Index Contracts on Bclear.

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

Equity Product Management

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equities@liffe.com

EXCHANGE CONTRACT NO. 301(A) CONTRACT DETAILS SPECIFIED BY THE BOARD FOR EQUITY INDEX CONTRACTS (“TABLE 1”)(B)

Index	FTSE Eurotop 100	FTSEurofirst 300	MSCI Euro	MSCI Pan-Euro	MSCI All Country Far East ex Japan	MSCI Emerging Markets Asia
Known as Exchange Contract No.	45	48	51	52	79	80
Currency specified by the Board	Euro €	euro €	euro €	euro €	US\$	US\$
Contract size	Valued at €20 per Index Point	Valued at \$100 per Index Point	Valued at \$100 per Index Point			
Value of Value Point	€ per lot	€ per lot	€ per lot	€ per lot	US\$10 per lot	US\$10 per lot
Minimum Price Fluctuation	5 Value Points	1 Value Point	1 Value Point	1 Value Point	0.01 of a Value Point	0.01 of a Value Point
Delivery months	March, June, September, December	January, February, March, April, May, June, July, August, September, October, November, December	January, February, March, April, May, June, July, August, September, October, November, December			
No. of delivery months available for trading	Nearest three	Nearest three	Nearest three	Nearest three	The first six quarterly months from the March/June/September/December cycle; plus up to three of the nearest serial months such that the nearest four calendar months are available for trading; plus the half yearly months on the June/December cycle to a maximum of five and a half years.	The first six quarterly months from the March/June/September/December cycle; plus up to three of the nearest serial months such that the nearest four calendar months are available for trading; plus the half yearly months on the June/December cycle to a maximum of five and a half years.
Quotation	Index Points (e.g. 1000.0)	Index Points (e.g. 1000.0)				
Last Trading Day	Third Friday of the delivery month	Thursday immediately preceding the third Friday of the delivery month	Thursday immediately preceding the third Friday of the delivery month			
EDSP: rounding Convention	Rounded to the nearest 0.5 or, where such average is an exact uneven multiple of 0.25, to the nearest higher 0.5	Rounded to the nearest 0.1 or, where such average is an exact uneven multiple of 0.05, to the nearest higher 0.1	Rounded to the nearest 0.1 or, where such average is an exact uneven multiple of 0.05, to the nearest higher 0.1	Rounded to the nearest 0.1 or, where such average is an exact uneven multiple of 0.05, to the nearest higher 0.1	Rounded to the nearest 0.001 or, where such average is an exact uneven multiple of 0.0005, to the nearest higher 0.001	Rounded to the nearest 0.001 or, where such average is an exact uneven multiple of 0.0005, to the nearest higher 0.001

TABLE 1 (continued)

Index	MSCI BRIC	MSCI EAFE	MSCI EM Emerging Markets Europe, Middle East and Africa	MSCI Emerging Markets	MSCI EM Latin America	MSCI Europe
Known as Exchange Contract No.	81	82	83	84	85	86
Currency specified by the Board	US\$	US\$	US\$	US\$	US\$	US\$
Contract size	Valued at \$100 per Index Point	Valued at \$10 per Index Point				
Value of Value Point	US\$10 per lot	US\$1 per lot				
Minimum Price Fluctuation	0.01 of a Value Point					
Delivery months	January, February, March, April, May, June, July, August, September, October, November, December	January, February, March, April, May, June, July, August, September, October, November, December	January, February, March, April, May, June, July, August, September, October, November, December	January, February, March, April, May, June, July, August, September, October, November, December	January, February, March, April, May, June, July, August, September, October, November, December	January, February, March, April, May, June, July, August, September, October, November, December
No. of delivery months available for trading	The first six quarterly months from the March/June/September/December cycle; plus up to three of the nearest serial months such that the nearest four calendar months are available for trading; plus the half yearly months on the June/December cycle to a maximum of five and a half years.	The first six quarterly months from the March/June/September/December cycle; plus up to three of the nearest serial months such that the nearest four calendar months are available for trading; plus the half yearly months on the June/December cycle to a maximum of five and a half years.	The first six quarterly months from the March/June/September/December cycle; plus up to three of the nearest serial months such that the nearest four calendar months are available for trading; plus the half yearly months on the June/December cycle to a maximum of five and a half years.	The first six quarterly months from the March/June/September/December cycle; plus up to three of the nearest serial months such that the nearest four calendar months are available for trading; plus the half yearly months on the June/December cycle to a maximum of five and a half years.	The first six quarterly months from the March/June/September/December cycle; plus up to three of the nearest serial months such that the nearest four calendar months are available for trading; plus the half yearly months on the June/December cycle to a maximum of five and a half years.	The first six quarterly months from the March/June/September/December cycle; plus up to three of the nearest serial months such that the nearest four calendar months are available for trading; plus the half yearly months on the June/December cycle to a maximum of five and a half years.
Quotation	Index Points (e.g. 1000.0)					
Last Trading Day	Thursday immediately preceding the third Friday of the delivery month	Thursday immediately preceding the third Friday of the delivery month	Thursday immediately preceding the third Friday of the delivery month	Thursday immediately preceding the third Friday of the delivery month	Thursday immediately preceding the third Friday of the delivery month	Thursday immediately preceding the third Friday of the delivery month
EDSP: rounding convention	Rounded to the nearest 0.001 or, where such average is an exact uneven multiple of 0.0005, to the nearest higher 0.001	Rounded to the nearest 0.001 or, where such average is an exact uneven multiple of 0.0005, to the nearest higher 0.001	Rounded to the nearest 0.001 or, where such average is an exact uneven multiple of 0.0005, to the nearest higher 0.001	Rounded to the nearest 0.001 or, where such average is an exact uneven multiple of 0.0005, to the nearest higher 0.001	Rounded to the nearest 0.001 or, where such average is an exact uneven multiple of 0.0005, to the nearest higher 0.001	Rounded to the nearest 0.001 or, where such average is an exact uneven multiple of 0.0005, to the nearest higher 0.001

TABLE 1 (continued)

Index	MSCI KOKUSAI	MSCI World	MSCI Brazil	MSCI Hong Kong	MSCI Mexico	MSCI EAFE ex Israel
Known as Exchange Contract No.	87	88	89	90	91	212
Currency specified by the Board	US\$	US\$	US\$	US\$	US\$	US\$
Contract size	Valued at \$10 per Index Point	Valued at \$10 per Index Point	Valued at \$100 per Index Point	Valued at \$1 per Index Point	Valued at \$100 per Index Point	Valued at \$10 per Index Point
Value of Value Point	US\$1 per lot	US\$1 per lot	US\$10 per lot	US\$0.10 per lot	US\$10 per lot	US\$1 per lot
Minimum Price Fluctuation	0.01 of a Value Point	0.01 of a Value Point	0.01 of a Value Point	0.1 of a Value Point	0.01 of a Value Point	0.01 of a Value Point
Delivery months	January, February, March, April, May, June, July, August, September, October, November, December	January, February, March, April, May, June, July, August, September, October, November, December	January, February, March, April, May, June, July, August, September, October, November, December	January, February, March, April, May, June, July, August, September, October, November, December	January, February, March, April, May, June, July, August, September, October, November, December	January, February, March, April, May, June, July, August, September, October, November, December
No. of delivery months available for trading	The first six quarterly months from the March/June/September/December cycle; plus up to three of the nearest serial months such that the nearest four calendar months are available for trading; plus the half yearly months on the June/December cycle up to a maximum of two years.	The first six quarterly months from the March/June/September/December cycle; plus up to three of the nearest serial months such that the nearest four calendar months are available for trading; plus the half yearly months on the June/December cycle up to a maximum of two years.	The first six quarterly months from the March/June/September/December cycle; plus up to three of the nearest serial months such that the nearest four calendar months are available for trading; plus the half yearly months on the June/December cycle up to a maximum of two years.	The first six quarterly months from the March/June/September/December cycle; plus up to three of the nearest serial months such that the nearest four calendar months are available for trading; plus the half yearly months on the June/December cycle up to a maximum of two years.	The first six quarterly months from the March/June/September/December cycle; plus up to three of the nearest serial months such that the nearest four calendar months are available for trading; plus the half yearly months on the June/December cycle up to a maximum of two years.	The first six quarterly months from the March/June/September/December cycle; plus up to three of the nearest serial months such that the nearest four calendar months are available for trading; plus the half yearly months on the June/December cycle up to a maximum of two years.
Quotation	Index Points (e.g. 1000.0)	Index Points (e.g. 1000.0)				
Last Trading Day	Thursday immediately preceding the third Friday of the delivery month	Thursday immediately preceding the third Friday of the delivery month	Thursday immediately preceding the third Friday of the delivery month	Thursday immediately preceding the third Friday of the delivery month	Thursday immediately preceding the third Friday of the delivery month	Thursday immediately preceding the third Friday of the delivery month
EDSP: rounding convention	Rounded to the nearest 0.001 or, where such average is an exact uneven multiple of 0.0005, to the nearest higher 0.001	Rounded to the nearest 0.001 or, where such average is an exact uneven multiple of 0.0005, to the nearest higher 0.001	Rounded to the nearest 0.001 or, where such average is an exact uneven multiple of 0.0005, to the nearest higher 0.001	Rounded to the nearest 0.01 or, where such average is an exact uneven multiple of 0.005, to the nearest higher 0.01	Rounded to the nearest 0.001 or, where such average is an exact uneven multiple of 0.0005, to the nearest higher 0.001	Rounded to the nearest 0.001 or, where such average is an exact uneven multiple of 0.0005, to the nearest higher 0.001

TABLE 1 (continued)

Index	MSCI World ex Israel	MSCI Japan	MSCI All Countries Asia ex Japan	FTSEurofirst 80	FTSEurofirst 100
Known as Exchange Contract No.	213	214	215	60	61
Currency specified by the Board	US\$	US\$	US\$	euro €	euro €
Contract size	Valued at \$10 per Index Point	Valued at \$10 per Index Point	Valued at \$100 per Index Point	Valued at €10 per Index Point	Valued at €10 per Index Point
Value of Value Point	US\$1 per lot	US\$1 per lot	US\$10 per lot	€1 per lot	€1 per lot
Minimum Price Fluctuation	0.01 of a Value Point	0.01 of a Value Point	0.01 of a Value Point	1 Value Point	1 Value Point
Delivery months	January, February, March, April, May, June, July, August, September, October, November, December	January, February, March, April, May, June, July, August, September, October, November, December	January, February, March, April, May, June, July, August, September, October, November, December	March, June, September, December	March, June, September, December
No. of delivery months available for trading	The first six quarterly months from the March/June/September/December cycle; plus up to three of the nearest serial months such that the nearest four calendar months are available for trading; plus the half yearly months on the June/December cycle up to a maximum of two years.	The first six quarterly months from the March/June/September/December cycle; plus up to three of the nearest serial months such that the nearest four calendar months are available for trading; plus the half yearly months on the June/December cycle up to a maximum of two years.	The first six quarterly months from the March/June/September/December cycle; plus up to three of the nearest serial months such that the nearest four calendar months are available for trading; plus the half yearly months on the June/December cycle to a maximum of five and a half years.	Nearest three	Nearest three
Quotation	Index Points (e.g. 1000.0)	Index Points (e.g. 1000.0)	Index Points (e.g. 1000.0)	Index Points (e.g. 1000.0)	Index Points (e.g. 1000.0)
Last Trading Day	Thursday immediately preceding the third Friday of the delivery month	Thursday immediately preceding the third Friday of the delivery month	Thursday immediately preceding the third Friday of the delivery month	Third Friday of the delivery month	Third Friday of the delivery month
EDSP: rounding convention	Rounded to the nearest 0.001 or, where such average is an exact uneven multiple of 0.0005, to the nearest higher 0.001	Rounded to the nearest 0.001 or, where such average is an exact uneven multiple of 0.0005, to the nearest higher 0.001	Rounded to the nearest 0.001 or, where such average is an exact uneven multiple of 0.0005, to the nearest higher 0.001	Rounded to the nearest 0.1 or, where such average is an exact uneven multiple of 0.05, to the nearest higher 0.1	Rounded to the nearest 0.1 or, where such average is an exact uneven multiple of 0.05, to the nearest higher 0.1

TABLE 1 (continued)

Index	AEX	BEL 20	CAC 40	PSI 20
Known as Exchange Contract No.	62	63	64	65
Currency specified by the Board	euro €	euro €	euro €	euro €
Contract size	Valued at €200 per Index Point	Valued at €10 per Index Point	Valued at €10 per Index Point	Valued at €1 per Index Point
Value of Value Point	€20 per lot	€1 per lot	€1 per lot	€0.1 per lot
Minimum Price Fluctuation	0.01 of a Value Point	0.1 Value Point	0.1 Value Point	0.1 Value Points
Delivery months	March, June September, December plus the nearest three serial months such that the nearest four calendar months are always available for trading	March, June September, December plus the nearest three serial months such that the nearest four calendar months are always available for trading	March, June September, December plus the nearest three serial months such that the nearest four calendar months are always available for trading	March, June September, December plus the nearest three serial months such that the nearest four calendar months are always available for trading
No. of delivery months available for trading	Three serial months, six quarterly months and twelve half yearly months*	Three serial months, six quarterly months and twelve half yearly months*	Three serial months, six quarterly months and twelve half yearly months*	Three serial months, six quarterly months and twelve half yearly months*
Quotation	Index Points (e.g. 1000.0)	Index Points (e.g. 1000.0)	Index Points (e.g. 1000.0)	Index Points (e.g. 1000.0)
Last Trading Day	Third Friday of the delivery month			
EDSP: rounding convention	Rounded to the nearest 0.001 or, where such average is an exact uneven multiple of 0.0005, to the nearest higher 0.001	Rounded to the nearest 0.01 or, where such average is an exact uneven multiple of 0.005, to the nearest higher 0.01	Rounded to the nearest 0.01 or, where such average is an exact uneven multiple of 0.005, to the nearest higher 0.01	Rounded to the nearest 0.01 or, where such Closing Index Value is an exact uneven multiple of 0.005, to the nearest higher 0.01

*Until further notice, the maximum expiry for the AEX Index, BEL 20 Index, CAC 40 Index and PSI 20 Index Futures Contracts will be restricted to the third Friday of the next indicative half-yearly delivery month (June and December) out to five years and six months at most from the date on which the contract is made. The Exchange intends to extend the maximum expiry in these Index Futures Contracts at a future date and will inform members by Notice of such extension at that time.

Issue Date: 14 July 2010

Availability of MSCI Net Total Return Index Contracts via Bclear in 2010

Market days in 2010 on which transactions will **not** be capable of being reported via Bclear only apply to the **MSCI Japan Index**, and are as follows:

Dates unavailable for reporting via Bclear
19 Jul 2010
20 Sep 2010
23 Sep 2010
11 Oct 2010
03 Nov 2010
23 Nov 2010
23 Dec 2010

Please note: Precise details of the trading availability of products on 24 and 31 December 2010 will be published nearer the time in the usual manner.