

LONDON NOTICE No. 3362

ISSUE DATE: 29 November 2010
EFFECTIVE DATE: 1 December 2010

THREE MONTH SWISS FRANC (EUROSWISS) INTEREST RATE FUTURES CONTRACT LIQUIDITY PROVIDER PROGRAMME

Executive Summary

This Notice informs Members of the extension to the Euroswiss Liquidity Provider Programme for proprietary traders and invites Members and appropriate clients of Members to apply.

1. Introduction

- 1.1 London Notice No. 3211, issued on 26 October 2009, informed Members of the Liquidity Provider Programme for proprietary traders in the Three Month Swiss Franc (Euroswiss) Interest Rate Futures Contract (the “**Euroswiss LP Programme**”), effective from 1 December 2009 to 30 November 2010.
- 1.2 This Notice informs Members of the extension to the Euroswiss LP Programme from 1 December 2010 until 30 November 2011. Subject to the terms and conditions summarised in this Notice, the Euroswiss LP Programme offers reduced Exchange trading fees in respect of “Qualifying Business” in the Three Month Euro Swiss Franc (Euroswiss) Interest Rate Futures Contract. Information in respect of the fee structure of the Euroswiss LP Programme is contained in the Attachment to this Notice.

2. Qualifying Business

- 2.1 Qualifying Business in respect of the Euroswiss LP Programme is business which satisfies the following criteria:
 - (a) trades executed in Three Month Swiss Franc (Euroswiss) Interest Rate Futures Contract;
 - (b) assigned to an exclusive TRS Account Reference of a participant registered by the Exchange as an LP on the Euroswiss LP Programme; and
 - (c) proprietary business of the LP and not client business.

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.

3. Summary of other Terms and Conditions

- 3.1 In general terms, an LP is an individual who, through his trading activity (involving behaviour such as price improvement and the facilitation of order flow), supports and enhances the liquidity of the Contract. A typical example of such behaviour is the frequent submission of orders into the LIFFE CONNECT[®] central order book to attract and satisfy customer order flow. Specifically, the Exchange defines an LP as:
- (a) an individual whose principal activities include trading futures on a discretionary basis for his own account, or for the proprietary account of an employer in which he has an interest;
 - (b) whose trading activity contributes to price discovery and satisfies the futures order flow of other market participants; and
 - (c) who can demonstrate that they have met the appropriate volume threshold requirement in any calendar month during the six month period prior to the application date.

4. Application Process

- 4.1 The application form for the Euroswiss LP Programme is available from Account Managers and on the NYSE Euronext website (www.nyx.com/lpprogrammes). Those wishing to apply for LP status should complete the form and submit it to their Account Manager. The Exchange's decision as to whether applications should be approved for LP status shall be final and binding.
- 4.2 Programme Terms and Conditions are attached to the application form. The Exchange advises every applicant to ensure that they have read and understood those Terms and Conditions, as the Terms and Conditions and applicable Notices govern participation in the Programme.
- 4.3 Ultimately, it is the responsibility of the applicant to ensure that all information included on the application form is complete and correct. Incorrect information will affect and possibly lengthen the application process and could affect the payment of Exchange trading fee rebates.
- 4.4 For the avoidance of doubt, a participant holding LP status in one contract must apply separately for LP status in a different contract.

5. Identification of Qualifying Business

- 5.1 Once a participant has been registered as an LP, their Qualifying Business will be identified through a single unique entry into the User Specified field (a LIFFE CONNECT[®] field that translates into a single Account Reference in the Trade Registration System ("TRS")) used exclusively by the LP and solely for their activity in that capacity.
- 5.2 Applicants should be aware that after a LIFFE CONNECT[®] trade enters TRS, the Account Reference field can be amended through TRS post trade processing any time up until 21:30 hours (London time) on the same business day. As such, applicants should ensure that they submit in their application the final Account Reference based on market assigned trades for the Exchange to identify Qualifying Business accurately.

- 5.3 It is essential that submitted Account References are accurate as a simple error will result in Qualifying Business not being identified. For example, if Account Reference “ABC1” was submitted as “ABC”, no Qualifying Business would be identified and no trading fee rebates would be awarded.
- 5.4 **The Exchange stresses that any underpayment of trading fee rebates resulting from inaccurate application/registration details will not be corrected retrospectively by the Exchange.**
- 5.5 If a registered LP decides to make changes to the trading and/or clearing arrangement which were detailed in the application, particularly those used by the Exchange to identify Qualifying Business (e.g. clearer, Member and Account Reference details), it is the responsibility of the LP to provide the Exchange with formal notification of such amendments in a timely manner, ideally in advance and in all cases by no later than close of business on the last business day of the month in which the change occurred. If this is not done, only volumes transacted during the calendar month in which the notification of changes was received by the Exchange will be eligible for the benefits specified in paragraph 1.2.
- 6. Existing Registered LPs on the Euroswiss LP Programme**
- 6.1 Any participant who is currently registered with the Exchange as an LP on the Euroswiss LP Programme will be deemed to continue on the Programme, unless the Exchange is formally notified otherwise.
- 7. Other information**
- 7.1 In relation to the Euroswiss Futures Contracts, Exchange trading fees will be billed (as they are currently) to Clearing Members at the beginning of the following calendar month. This initial bill is calculated on the basis of 25p per lot, per side for all delivery months. The Exchange will then calculate the rebates on Qualifying Business for approved LPs and make rebates to Clearing Members during the following calendar month. For example, rebates for Qualifying Business transacted in December 2010 will be calculated in January 2011 for payment to Clearing Members at the beginning of February 2011.
- 7.2 In the event that any business which may give rise to a benefit under the terms of the LP Programme may also qualify as business undertaken by the LP giving rise to a benefit under any other Exchange liquidity provision, market making or other similar Programme or arrangement (regardless of whether such Programme or arrangement is an “incentive scheme” within the FSA’s guidance), the Exchange reserves the right in its absolute discretion to take one or more of the following actions:
- (a) not to credit any further rebates otherwise due under the Programme;
 - (b) to re-charge some or all of the discounted trading fees made under the Programme; and
 - (c) to terminate the LP Agreement by notice to the parties with immediate effect.
- 7.3 The Exchange reserves the right in its absolute discretion to terminate the LP Programme by Notice.
- 8. Net Exchange trading fees and LP Calculators**
- 8.1 A full list of the net Exchange trading fees for participants registered on the Euroswiss LP Programme is contained in the Attachment to this Notice. The net trading fees will continue to be given effect by way of rebate in the usual manner.

8.2 Interested parties are reminded that calculators have been designed to indicate the financial benefits available through the LP Programmes in the Euribor, Sterling and Euroswiss Futures Contracts. These calculators, in Microsoft Excel format, are available on the NYSE Euronext website (www.nyx.com/lpcalculators).

For further information in relation to this Notice, Members should contact their Account Manager or:

Fixed Income Derivatives

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Euroswiss Futures – Net Exchange trading fees for an individual trader registered as a Euroswiss Liquidity Provider (“LP”)

WHITE DELIVERY MONTHS	
Quarters 1 to 4	
Monthly Volume	Fee per lot per side
Lots 0-2,000	25p
Lots 2,001-20,000	15p
Lots 20,001-40,000	12p
Lots > 40,000	9p

FRONT RED DELIVERY MONTHS	
Quarters 5 & 6	
Monthly Volume	Fee per lot per side
Lots 0-400	22p
Lots 401-6,000	15p
Lots 6,001-9,000	12p
Lots > 9,000	9p

BACK RED DELIVERY MONTHS	
Quarters 7 & 8	
Monthly Volume	Fee per lot per side
Lots 0-400	15p
Lots 401-6,000	13p
Lots 6,001-9,000	9p
Lots > 9,000	6p

Note: Under the Euroswiss LP Programme the net Exchange trading fee for “green” delivery months (quarters 9 to 12) is zero.

The average trading fees per lot for an LP trading Euroswiss Futures are shown below:

WHITE DELIVERY MONTHS	
Monthly Volume	Average Fee
2,500	23p
3,330	21p
4,000	20p
5,000	19p
6,670	18p
10,010	17p
20,000	16p
26,700	15p
40,000	14p
50,000	13p

FRONT RED DELIVERY MONTHS	
Monthly Volume	Average Fee
700	19p
933	18p
1,400	17p
2,790	16p
6,940	15p
9,560	14p
11,950	13p
15,910	12p

BACK RED DELIVERY MONTHS	
Monthly Volume	Average Fee
797	14p
6,193	13p
8,255	12p
10,350	11p
12,935	10p
17,240	9p
25,840	8p