

## **LONDON NOTICE No. 3363**

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

### **THREE MONTH EURO (EURIBOR) AND THREE MONTH STERLING (SHORT STERLING) INTEREST RATE FUTURES CONTRACTS AND THE FTSE 100 INDEX FUTURES CONTRACT**

#### **ASIA PACIFIC LIQUIDITY PROVIDER PROGRAMME**

##### **Executive Summary**

This Notice informs Members of the extension of the Asia Pacific Liquidity Provider Programme for proprietary traders based in specified locations in the Asia Pacific region and invites Members and appropriate clients of Members to apply.

#### **1. Introduction**

- 1.1 London Notice No. 3217, issued on 10 November 2009, informed Members of the introduction of the Asia Pacific Liquidity Provider Programme, effective from 1 December 2009 until 30 November 2010.
- 1.2 This Notice informs Members of the extension to the Liquidity Provider (“LP”) Programme for proprietary traders based in certain specified locations in the Asia Pacific region (the “**Asia Pacific LP Programme**”). The new Programme will operate from **1 December 2010 until 28 February 2011**.
- 1.3 Proprietary traders operating from one of the following locations within the Asia Pacific region are eligible to apply to participate in the Programme:

Australia	Brunei	Cambodia
Hong Kong	Indonesia	Japan
Macau	Malaysia	New Zealand
Philippines	Singapore	South Korea
Taiwan	Thailand	Vietnam

#### **2. Overview of the Asia Pacific Liquidity Provider Programme**

- 2.1 Subject to the terms and conditions summarised in this Notice, the Asia Pacific LP Programme offers Exchange trading fee rebates in respect of “Qualifying Business” in the Three Month Euro (EURIBOR) Interest Rate Futures Contract, Three Month Sterling (Short

Web site: [www.nyx.com/liffe](http://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.

Sterling) Interest Rate Futures Contract and the FTSE 100 Index Futures Contract (the “Contracts”).

- 2.2 Individuals can register with the Exchange and, if accepted, will benefit from the reduction in Exchange trading fees in relation to “Qualifying Business”, based on the fee schedule below. The thresholds are based on monthly volumes, per Contract covered by the Programme, per registered TRS account reference.

<b>Volume</b>	<b>Fee Per lot, per side</b>	<b>Rebate Per lot, per side</b>
Lots 0 - 750	25p	0p
Lots 751 – 7,500	20p	5p
Lots 7,501 - 13,500	15p	10p
Lots 13,501 - 20,000	10p	15p
Lots >20,000	25p	0p

- 2.3 Whilst registered for inclusion in the Asia Pacific LP Programmes, traders are excluded from registration on any other LP Programmes in the Contracts.

### **3. Summary of other Terms and Conditions**

- 3.1 To be eligible for participation in the Programme, an individual must be an independent financial futures trader based in one of the locations set out in section 1.3 of this Notice, whose principal activities include trading futures on a discretionary basis for his own account or for the proprietary account of an employer, and whose trading activity will contribute to price discovery in the marketplace. An individual must be registered for participation in the Asia Pacific LP Programme by the Member through which he accesses the London market.

- 3.2 Qualifying Business in respect of the Asia Pacific LP Programme is business which satisfies the following criteria:

- (a) executed in the Euribor, Short Sterling and FTSE 100 Index Futures Contracts; and
- (b) assigned to an exclusive TRS Account Reference of a participant located within one of the specified regions within the Asia Pacific region as detailed in section 1.3, and registered by the Exchange as an Asia Pacific LP; and
- (c) proprietary business of the Liquidity Provider, and not client business.

### **4. Application Process**

- 4.1 The Asia Pacific LP application form is available from Account Managers and on the NYSE Euronext website ([www.nyx.com/lpprogrammes](http://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 **Members may register participants at any time during the duration of the Asia Pacific LP Programme, up until close of business on 18 February 2011.**

## **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 in the User Specified field (a LIFFE CONNECT<sup>®</sup> field which 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<sup>®</sup> 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 arrangements 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 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 2.2.

## **6. Existing Registered LPs on the Asia Pacific Programme**

6.1 Any participant who is currently registered with the Exchange as an LP on the Asia Pacific Programme will be deemed to continue on the Programme unless the Exchange is formally notified otherwise.

## **7. Other information**

7.1 Exchange trading fees will be billed (as they are currently) to Clearing Members at the beginning of the following calendar month, on the basis of the standard Exchange trading fee for the Futures Contract concerned. The Exchange will then calculate the rebates on Qualifying Business for registered LPs and make rebates to Clearing Members during the following calendar month.

7.2 For the avoidance of doubt, clearing fees of 3 pence per side, per lot will be applied to all traded volume transacted by Asia Pacific LP Programme participants.

7.3 In the event that any business which may give rise to a benefit under the terms of the Asia Pacific 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.

7.4 The Exchange reserves the right in its absolute discretion to terminate the Asia Pacific LP Programme by Notice.

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

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