

## **LONDON NOTICE No. 3481**

Equivalent Notices are being issued to all NYSE Liffe markets.

ISSUE DATE: 5 August 2011

EFFECTIVE DATE: 5 August 2011

### **“LOOK-ALIKE” DERIVATIVES CONTRACTS**

#### **Executive Summary**

This Notice informs Members of their responsibilities under Book 1 of the Euronext Rule Book in respect of “look-alike” contracts.

1. As Members will be aware, for any exchange-listed derivatives contract there is often a number of alternative contracts with equivalent economic characteristics listed on other venues or offered on an OTC basis.
2. Members are reminded that, if they deal in such products on behalf of Clients, they have an obligation to ensure that their Clients understand the nature of the product being provided. In particular, Members should provide information in comprehensive form to Clients so that such Clients are reasonably able to understand the nature and risks of the product that is being offered.
3. In respect of Derivatives that are admitted to trading on one of the Euronext Derivatives Markets (“NYSE Liffe contracts”) and contracts with similar economic characteristics offered elsewhere, the Relevant Euronext Market Undertaking requires that Members ensure that Clients are properly informed about which products are being offered and that there is no doubt about whether or not they will receive NYSE Liffe contracts. Failure to do so would be a breach of Rule 8102 of Book I of the Euronext Rule Book.
4. For the avoidance of doubt, a Member may only report to a client that it has a NYSE Liffe contract where either:
  - (i) the business has been executed pursuant to the rules of the Relevant Euronext Market Undertaking; or
  - (ii) in the case of OTC Trades (for Bclear) or Prof Transactions, the Relevant Euronext Market Undertaking has accepted the OTC Trades or Prof Transactions (as the case may be) pursuant to the rules of the Relevant Euronext Market Undertaking.

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

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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.