

## **LONDON NOTICE No. 3415**

ISSUE DATE: 31 March 2011  
EFFECTIVE DATE: 1 April 2011

### **THREE MONTH EONIA SWAP INDEX FUTURES CONTRACT**

### **LIQUIDITY PROVIDER PROGRAMME**

#### **Executive Summary**

This Notice informs Members of the extension to the Liquidity Provider Programmes in the Three Month EONIA Swap Index Contract and invites Members and eligible clients of Members to apply.

#### **1. Introduction**

- 1.1 London Notice No. 3388, issued on 24 January 2011, informed Members of the extension to the Liquidity Provider Programme in the Three Month EONIA Swap Index Futures Contract (“the EONIA LP Programme”).
- 1.2 This Notice informs Members that the EONIA LP Programme shall be extended until close of business on 31 October 2011.
- 1.3 The EONIA LP Programme will be open to applications up to and including 24 October 2011. Those who are currently registered on the EONIA LP Programme will be deemed to continue as participants in the Programme from 1 April 2011 unless the Exchange is otherwise notified.

#### **2. Benefits of the EONIA LP Programme**

- 2.1 Those registered on the EONIA LP Programme will be eligible for a 15 pence Exchange trading fee rebate on all business transacted in the Three Month EONIA Swap Index Futures Contract (the “Contract”) such that the net Exchange trading fee will equate to 10 pence per lot, per side.
- 2.2 The Exchange trading fee rebate is only available in respect of “Qualifying Business” transacted by individuals registered by the Exchange as a Liquidity Provider (“LP”).

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.

### **3. Qualifying Business**

3.1 “Qualifying Business” is business which satisfies the following criteria:

- (a) executed in the Contract and assigned to an exclusive Trade Registration System (“TRS”) Account Reference of a registered LP in the EONIA LP Programme; and
- (b) proprietary business of the LP and not client business.

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

4.1 In general terms, a liquidity provider 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<sup>®</sup> Central Order Book to attract and satisfy customer order flow. Specifically, the Exchange defines a Liquidity Provider in the Contract 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; and
- (b) whose trading activity contributes to price discovery and satisfies the futures order flow of other market participants.

4.2 There is no volume threshold requirement in relation to the EONIA LP Programme. Individuals may register with the Exchange and, if accepted, will benefit from the reduction in Exchange trading fees in relation to Qualifying Business.

### **5. Application Process**

5.1 The application form for the EONIA LP Programme can be found on the NYSE Euronext website ([www.nyx.com/stirlpschemes](http://www.nyx.com/stirlpschemes)) and is also available from Account Managers. Those wishing to apply for LP status in the EONIA LP Programme should complete the form and submit it to their Account Manager. The Exchange’s decision as to whether applications should be approved for EONIA LP status shall be final and binding.

5.2 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.

5.3 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.

### **6. Identification of Qualifying Business**

6.1 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<sup>®</sup> field that translates into a single Account Reference in TRS) used exclusively by the LP and solely for their activity in that capacity.

6.2 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.

- 6.3 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.
- 6.4 The Exchange stresses that any underpayment of trading fee rebates resulting from inaccurate application/registration details will not be corrected retrospectively by the Exchange.
- 6.5 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 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, then 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.

## **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. This initial bill will be 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 April 2011 will be calculated in May 2011 for payment to Clearing Members at the beginning of June 2011.
- 7.2 In the event that any business which may give rise to a benefit under the terms of one of the Programmes 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 will in its absolute discretion to take one or more of the following actions:
  - (a) withdraw the credit of any further rebates otherwise due under the Programmes;
  - (b) re-charge some or all of the discounted trading fees made under the Programmes; and
  - (c) 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 EONIA LP Programme by Notice.

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

Fixed Income Derivatives

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