

## **LONDON NOTICE No. 3475**

ISSUE DATE: 22 July 2011  
EFFECTIVE DATE: 22 July 2011

### **ACCESS TO LIFFE CONNECT<sup>®</sup> IN BRAZIL**

#### **Executive Summary**

This Notice explains the basis on which Members and Affiliates in Brazil may obtain direct access to LIFFE CONNECT<sup>®</sup>.

#### **1. Introduction**

- 1.1 The Comissão de Valores Mobiliários (the “CVM”) has granted the Exchange authorisation to provide direct access to LIFFE CONNECT<sup>®</sup> in respect of London market (“LIFFE”) contracts to Brazilian qualified investors as defined in article 15 of Brazilian Law 6385, of 7 December 1976 as amended and the CVM instruction 461, of 23 October 2007 (“Brazilian Qualified Investors”).
- 1.2 A list of contracts which are available for trading are shown in the Attachment to this Notice and can also be found on the NYSE Euronext web site ([www.nyx.com/londonmarkethandbook](http://www.nyx.com/londonmarkethandbook)).

#### **2. Scope**

- 2.1 Brazilian Qualified Investors may obtain direct access to LIFFE CONNECT<sup>®</sup> from Brazil in one of three ways. These are as follows:
- (a) firms in Brazil who are not Members of the London market may apply in the normal manner through the LIFFE membership application process;
  - (b) where a legal entity is a Member of the London market operating from outside Brazil but with a branch in Brazil, the legal entity may obtain direct access to LIFFE CONNECT<sup>®</sup> from its offices in Brazil; or
  - (c) firms in Brazil who are related to Members of the London market may apply for affiliate status if they do not wish to obtain membership themselves.

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.

- 2.2 The basis on which Members and their Affiliates are able to obtain direct access to LIFFE CONNECT<sup>®</sup> from Brazil is explained in this Notice.

### **3. Bclear and Cscreen**

- 3.1 Members should note that Bclear and Cscreen may not currently be accessed from Brazil. Members will be informed if and when Bclear and Cscreen access is approved by the CVM.

### **4. Terms and Conditions**

- 4.1 Members of the London market and their Affiliates who wish to have direct access to LIFFE CONNECT<sup>®</sup> from Brazil will need to comply with and/or be subject to the following terms and conditions:

- (a) the Member or Affiliate (as the case may be) must be a Brazilian Qualified Investor;
- (b) consistent with the approach taken generally in relation to Exchange business, Members or Affiliates who are authorised in Brazil to conduct client business may provide indirect access to clients in Brazil provided that:
  - (i) all client business is subject to appropriate pre-trade risk management checks prior to its submission to LIFFE CONNECT<sup>®</sup>; and
  - (ii) each such client is a Brazilian Qualified Investor; and
- (c) as access to Bclear from Brazil is not currently permitted, the only products available for trading directly from Brazil are those made available on LIFFE CONNECT<sup>®</sup>; these are shown in the Attachment to this Notice.

- 4.2 Affiliates are also subject to the conditions set out in section 5 below.

### **5. Access for Affiliates**

- 5.1 Consistent with its general approach, the Exchange is willing to enable Members to provide a form of “direct access” to those firms who are affiliated to Members of the London market and who do not wish to become Members in their own right. This would involve Affiliates accessing LIFFE CONNECT<sup>®</sup> through, and with the explicit agreement of, the Member. Where this Notice refers to direct access for Affiliates, the reference is to such an arrangement.

- 5.2 Specifically, the Exchange is willing to consider applications from Members to allow their Affiliates in Brazil to have direct access to LIFFE CONNECT<sup>®</sup> on the following basis:

- (a) the firm seeking affiliate access is a Brazilian Qualified Investor;
- (b) the Member registers with the Exchange in its name one or more Responsible Persons, as appropriate, who will supervise the business being submitted by the Affiliate. The Responsible Person(s) will be required to operate from the office of the Affiliate unless the Member can demonstrate in advance, and to the satisfaction of the Exchange, that it could meet its obligations under the Rules and Trading Procedures if the Responsible Person(s) operated from the office of the Member;
- (c) all business undertaken by the Affiliate on LIFFE CONNECT<sup>®</sup> will be done in the name of the Member and the Member remains ultimately responsible for the conduct of LIFFE CONNECT<sup>®</sup> business submitted by the Affiliate; and

- (d) for the purposes of LIFFE CONNECT<sup>®</sup>, the premises of the Affiliate will be treated as if they were the premises of the Member and, pursuant to the Rules, the Exchange will be afforded access to such premises for any purpose considered necessary by the Exchange including, without limitation, any regulatory or systems inspection purpose in respect of business conducted on LIFFE CONNECT<sup>®</sup>.
- 5.3 For the purposes of the policy set out in paragraph 5.2 above, and pursuant to the Rules, “Affiliate” means a Person who:
- (a) owns 95 per cent or more of the Member; or
  - (b) is owned 95 per cent or more by the Member; or
  - (c) is owned 95 per cent or more by a third party who also owns 95 per cent or more of the Member.
- 5.4 The Exchange has not discussed with the CVM whether there would be any regulatory implications in Brazil for Members based outside Brazil who wish to provide direct access to their Affiliates in Brazil. Members may, therefore, wish to take professional advice before providing such access.
- 6. Filing of Notice with the Exchange**
- 6.1 Members and Affiliates who wish to have direct access to LIFFE CONNECT<sup>®</sup> in Brazil are required to file a notice with the Exchange, which is available from the NYSE Liffe Membership Department ([derivativesmembership@nyx.com](mailto:derivativesmembership@nyx.com)).
- 6.2 The notice should be filed with the NYSE Liffe Membership Department (Cannon Bridge House, 1 Cousin Lane, London, EC4R 3XX) prior to gaining direct access to LIFFE CONNECT<sup>®</sup> in Brazil.
- 7. Further information**
- 7.1 The Exchange is in the process of confirming its reporting obligations to the CVM and may issue further information by Notice if appropriate.
- 7.2 For further information in relation to this Notice, Members should contact their account manager or the following:

Carlota Godinho

+44(20) 7379 2684

[cgodinho@nyx.com](mailto:cgodinho@nyx.com)

**Contracts available for trading on the London market which are directly available in Brazil through LIFFE CONNECT®:**

<b>Contract</b>	<b>Web link</b>
<b>Bond Derivatives</b>	
Long Gilt Futures (No. 7)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3107-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3107-EN.html</a>
Medium Gilt Futures (No. 99)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3107-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3107-EN.html</a>
Short Gilt Futures (No. 100)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3107-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3107-EN.html</a>
Long Gilt Options (No. 901)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3107-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3107-EN.html</a>
Japanese Government Bond (JGB) Futures (No. 32)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3107-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3107-EN.html</a>
<b>Short Term Interest Rate (STIRs) Derivatives</b>	
Two-Year €Swapnote® Futures (No. 701S)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3582-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3582-EN.html</a>
Five-Year €Swapnote® Futures (No. 701S)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3582-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3582-EN.html</a>
Ten-Year €Swapnote® Futures (No. 701S)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3582-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3582-EN.html</a>
Two-Year \$ Swapnote® Futures (No. 710)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3582-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3582-EN.html</a>
Five-Year \$ Swapnote® Futures (No. 710)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3582-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3582-EN.html</a>
Ten-Year \$ Swapnote® Futures (No. 710)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3582-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3582-EN.html</a>
Options on Two-Year €Swapnote® Futures (No. 901)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3582-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3582-EN.html</a>
Options on Five-Year €Swapnote® Futures (No. 901)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3582-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3582-EN.html</a>
Options on Ten-Year €Swapnote® Futures (No. 901)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3582-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3582-EN.html</a>
One Month Eonia Index Future (No. 59)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3554-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3554-EN.html</a>
Three Month Eonia Swap Index Futures Contract (No. 73)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3554-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3554-EN.html</a>

<b>Contract</b>	<b>Web link</b>
Three Month Euro (EURIBOR) Interest Rate Futures (No. 801)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3554-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3554-EN.html</a>
Three Month Euroyen (TIBOR) Interest Rate Futures (No. 41)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3554-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3554-EN.html</a>
Three Month Sterling (Short Sterling) Interest Rate Futures (No. 801)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3554-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3554-EN.html</a>
Three Month Euro Swiss Franc (Euroswiss) Interest Rate Futures (No. 801)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3554-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3554-EN.html</a>
Three Month Eurodollar Interest Rate Futures Contract (No. 801)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3554-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3554-EN.html</a>
Option on Three Month Euro (EURIBOR) Futures (No. 901)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3554-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3554-EN.html</a>
One Year Mid-Curve Options on Three Month Euro (EURIBOR) Futures (No. 901)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3554-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3554-EN.html</a>
Two Year Mid-Curve Options on Three Month Euro (EURIBOR) Interest Rate Futures (No. 901)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3554-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3554-EN.html</a>
Option on Three Month Sterling (Short Sterling) Future (No. 901)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3554-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3554-EN.html</a>
One Year Mid-Curve Options on Three Month Sterling (Short Sterling) Interest Rate Futures (No. 901)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3554-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3554-EN.html</a>
Two Year Mid-Curve Options on Three Month Sterling (Short Sterling) Interest Rate Futures (No. 901)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3554-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3554-EN.html</a>
Option on Three Month Euro Swiss Franc (Euroswiss) Futures (No. 901)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3554-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3554-EN.html</a>
<b>Commodity Derivatives</b>	
Cocoa Futures (No. 401)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3064-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3064-EN.html</a>
Robusta Coffee Futures (No. 409)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3064-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3064-EN.html</a>
White Sugar Futures (No. 407)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3064-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3064-EN.html</a>
Wheat Futures (No. 405)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3064-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3064-EN.html</a>
Cocoa Options (No. 501)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3064-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3064-EN.html</a>
Robusta Coffee Options (No. 501)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3064-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contract Specifications-3064-EN.html</a>

<b>Contract</b>	<b>Web link</b>
White Sugar Options (No. 501)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3064-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3064-EN.html</a>
Wheat Options (No. 501)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3064-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3064-EN.html</a>
<b>Stock Option Derivatives</b>	
London Stock Options (No. 201)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3084-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3084-EN.html</a>
<b>Stock Futures Derivatives</b>	
Universal Stock Futures (Cash Settlement) (No. 56)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3111-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3111-EN.html</a>
Universal Stock Futures (Physical Delivery) (No. 58)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3111-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3111-EN.html</a>
<b>Index Futures Contracts</b>	
FTSE 100 Index Futures (No. 29)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3503-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3503-EN.html</a>
FTSE 100 Dividend Index – RDSA Withholding Futures (No. 98)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3503-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3503-EN.html</a>
FTSE 100 Declared Dividend Index Futures (No. 98B)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3503-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3503-EN.html</a>
FTSE 250 Index Futures (No. 40)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3503-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3503-EN.html</a>
TOPIX Index Futures (No. 305)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3503-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3503-EN.html</a>
FTSE 100 Eurotop Futures (No. 301)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3503-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3503-EN.html</a>
<b>Index Options Contracts</b>	
FTSE 100 Index Options (European-Style) (No. 129E)	<a href="http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3503-EN.html">http://www.euronext.com/trader/contractspecifications/wide/contractSpecifications-3503-EN.html</a>