

LONDON NOTICE No. 3568

ISSUE DATE: 15 February 2012
EFFECTIVE DATE: 1 March 2012

THREE MONTH EURO (EURIBOR) INTEREST RATE FUTURES CONTRACT LIQUIDITY PROVIDER PROGRAMME DURING ASIAN TRADING HOURS

Executive Summary

This Notice informs Members of the introduction of a Liquidity Provider Programme in Three Month Euro (EURIBOR) Interest Rate Futures Contract during the Asian Trading Hours, and invites Members and appropriate clients of Members to apply.

1. Introduction

- 1.1 London Notice No. [3563](#), issued on 9 February 2012, informed Members of a revision to the Asian Trading Hours (“ATH”) in respect of the Three Month Euro (EURIBOR) Interest Rate Futures Contract (“Euribor Futures”). Effective from 20 February 2012, ATH will operate from 01:00 to 06:45 hours (London time). The Main Trading Hours (“MTH”) will continue to operate from 07:00 to 21:00 hours (London time).
- 1.2 This Notice informs Members of the introduction of a Liquidity Provider Programme in Euribor Futures during the ATH (the “Euribor ATH LP Programme”) (the “Programme”) on and from **1 March 2012 until close of business 31 August 2012**, and invites Members and appropriate clients of Members to apply.

2. Benefits of the Euribor ATH LP Programme

- 2.1 Individuals registered on the Programme (“ATH LPs”) will be eligible for a full Exchange trading fee rebate (25 pence per side per lot) in respect of Qualifying Business transacted during ATH.
- 2.2 In addition, for each lot of Qualifying Business transacted during ATH, ATH LPs will also be eligible for a full trading fee rebate for one lot of corresponding Qualifying Business, i.e. in the same contract delivery month, transacted during the MTH up to a maximum allowance of 10,000 lots per day across all delivery months.

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.

- 2.3 The Exchange will prioritise the rebates awarded during the MTH according to delivery month in order of ascending expiry, i.e. rebates in front months will be prioritised over back months up to the maximum allowance of 10,000 lots per day.

3. Qualifying Business

- 3.1 Qualifying Business is business which satisfies the following criteria:

- (a) executed in the Euribor Futures through the Central Order Book, and not via NYSE Liffe's Wholesale Trading Facilities (i.e. Block Trades, Basis Trades or Asset Allocations);
- (b) assigned to a person registered by the Exchange as an ATH LP; and
- (c) proprietary business of the ATH LP and not client business.

4. Eligibility Criteria

- 4.1 The Programme will be open to all independent proprietary traders whose trading activity (involving behaviour such as price improvement and facilitation of order flow), supports and enhances the liquidity of the Euribor Futures during the ATH session. A typical example of such behaviour is the frequent submission of orders into the Central Order Book to attract and satisfy customer order flow. Specifically, the Exchange defines eligible participants as:

- (a) those whose principal activities include trading futures on a discretionary basis for his own account, or for the account of an employer in which he has an interest; and
- (b) those whose trading activities include trading futures on a discretionary basis and satisfies the futures order flow of other market participants.

- 4.2 Participants currently registered on the STIR Futures LP Programme will automatically be registered for the Programme unless the Exchange is otherwise notified. For the avoidance of doubt, Qualifying Business in respect of the Programme will be excluded from the calculation of Exchange trading fee rebates in respect of the STIR Futures LP Programme and/or any other Exchange incentive or market making programme where qualifying business includes Euribor Futures.

5. Application Process

- 5.1 Any participant who is not currently registered on the STIR Futures LP Programme and who would like to join the Euribor ATH LP Programme should follow the application process detailed herein.

- 5.2 The application form for the Programme is available from Account Managers Accountmanagementlondon@nyx.com and on the NYSE Euronext website (www.nyx.com/lpprogrammes). Those individuals wishing to apply for the Programme should complete the form and submit it to their Account Manager. The Exchange's decision as to whether applications should be approved for the Programme shall be final and binding.

- 5.3 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.

- 5.4 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.

5.5 Applicants must submit their application form five business days prior to the last business day of the month to be registered for the entire calendar month. Applications received after five business days prior to the last business day of the month shall be registered for the following calendar month.

5.6 Where an application for participation in the Programme is registered by the Exchange in a particular calendar month, only volume assigned to the participant during that calendar month and thereafter will be Qualifying Business.

6. Identification of Qualifying Business

6.1 Once a participant has been registered on the Programme, 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 Universal Clearing Platform (“UCP”)) used exclusively by the ATH LP and solely for his activity in that capacity (as defined in section 4).

6.2 Applicants should be aware that after a trade enters UCP, the Account Reference field can be amended through UCP 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 References 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 participant 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 participant 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 (and any subsequent programme months) will be eligible for the benefits specified in paragraph 2.

7. Billing Arrangements

7.1 In relation to the Programme, 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 25 pence per lot, per side for all delivery months. The Exchange will then calculate the rebates on Qualifying Business for registered participants and make rebates to Clearing Members during the following calendar month. For example, rebates for Qualifying Business transacted in March 2012 will be calculated in April 2012 for payment to Clearing Members at the beginning of May 2012.

7.2 In the event that any Qualifying Business under the Programme may also qualify as business undertaken by the participant giving rise to a benefit under any other Exchange liquidity

provision, market making or other similar programme or arrangement (“Other Arrangements”) (regardless of whether such programme or arrangement is an “incentive scheme” within the FSA’s guidance), the Exchange will in its absolute discretion take one or more of the following actions:

- (a) withhold the credit of any further rebates otherwise due under the Other Arrangements;
- (b) withhold the credit of any further rebates otherwise due under the Programme; and
- (c) re-charge some or all of the rebates made under the Other Arrangements or the Programme.

7.3 The Exchange reserves the right in its absolute discretion to amend or terminate the Programme by Notice.

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

Fixed Income Derivatives

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