

LONDON NOTICE NO. 3665

Issue Date: 30 November 2012

Effective Date: 10 December 2012

INTRODUCTION WITHIN BCLEAR OF THREE MONTH EURO (EURIBOR), THREE MONTH SHORT STERLING AND LONG GILT FUTURES CONTRACTS

Executive Summary

This Notice informs Members that the Three Month Euro (EURIBOR) Futures, Three Month Sterling (Short Sterling) Futures, and Long Gilt Futures Contracts will be made available within Bclear on and from Monday 10 December 2012.

1. Introduction

1.1 This Notice informs Members that the following Fixed Income Contracts (the “Contracts”) will be made available within Bclear on and from **Monday 10 December 2012**:

- (a) Three Month Euro (EURIBOR) Interest Rate Futures Contract (“Euribor Futures”);
- (b) Three Month Sterling (Short Sterling) Interest Rate Futures Contract (“Short Sterling Futures”); and
- (c) Long Gilt Futures Contract (“Long Gilt Futures”).

1.2 Trades in the Contracts reported via Bclear must meet minimum volume thresholds, as set out in section 3 below, and be priced at a fair value for that trade, in accordance with the Bclear Rules. Reporting deadlines will mirror those that currently apply to the Block Trade Facility, set out in more detail in section 4 below.. Trades in the Contracts reported via Bclear will be published to the market 75 minutes after acceptance by the Exchange or at the daily close of trading in the contract on the Central Order Book, whichever is sooner.

1.3 This Notice provides Members with the following information with respect to the introduction of the Contracts within Bclear:

- (a) contract details;
- (b) minimum volume requirements;
- (c) access to Bclear;
- (d) business days and hours;

- (e) reporting requirements and trade publication;
- (f) fees; and
- (g) the regulatory position in the United States.

2. Contract Details

- 2.1 The Contracts are currently available to trade via the Central Order Book and the Exchange’s Wholesale Services. Business in the Contracts submitted via Bclear will be fully fungible with business executed via the Central Order Book and the Wholesale Services, and will form part of a single pool of open interest in the relevant contract.
- 2.2 The Daily Settlement Price (“DSP”) and Exchange Delivery Settlement Price (“EDSP”) established for the Contracts reported via Bclear will be the same as the DSP and EDSP for the relevant Contracts established in the Central Order Book.

3. Minimum Volume Requirement

- 3.1 Business in the Contracts reported to the Exchange via Bclear must meet the following Minimum Volume Thresholds:

Euribor Futures	Outrights (Lots)	Strategies¹ (Aggregate) (Lots)
Quarterly ‘White’ Months (Q1-Q4)	10,000	15,000
‘Red’ Months (Q5-Q8)	8,000	12,000
‘Green’ Months (Q9 – 12)	4,000	6,000
Other Months Including Serial ‘White’ Months	2,000	3,000
Short Sterling Futures	Outrights (Lots)	Strategies¹ (Aggregate) (Lots)
Quarterly ‘White’ Months (Q1-Q4)	10,000	15,000
‘Red’ Months (Q5-Q8)	8,000	12,000
‘Green’ Months (Q9 – 12)	4,000	6,000
Other Months Including Serial ‘White’ Months	2,000	3,000
Long Gilt Futures	Outrights (Lots)	Strategies (Per Leg) (Lots)
All Delivery Months	1,500	1,500

¹ For strategy trades involving more than one contract month colour tier the higher threshold level will always apply.

4. Reporting Requirements and Trade Publication

- 4.1 Members are reminded that the Rules governing the Bclear service (“Bclear Rules”) are set out in Section 12 of LIFFE Rules (Book II). However, the Bclear reporting times² for the Contracts will mirror the reporting times for the Exchange’s current Block Trade Facility with transactions being reported as follows:
- (a) within five minutes in the case of a Bclear Trade which was not dependent on the execution of a transaction in another instrument, unless market conditions are exceptional; or
 - (b) within fifteen minutes in the case of:
 - (i) exceptional market conditions; or
 - (ii) a Bclear Trade which was dependent on the execution of a transaction in another instrument.
- 4.2 Price, volume and trade time details related to transactions in the Contracts reported via Bclear will be published to the market 75 minutes after acceptance by the Exchange or at the daily close of trading in the contract on the Central Order Book, whichever is sooner.
- 4.3 Given that the reporting requirements for these Contracts are different to those currently in place for contracts available for reporting via Bclear, Section 12 of the LIFFE Rules (Book II) has been amended as set out in the Attachment to this Notice. These amended Rules come into effect on and from 10 December 2012. An updated version of the LIFFE Rules (Book II) will be made available in the London Market Handbook on the NYSE Euronext website (www.nyx.com/Rules) in due course.

5. Access to Bclear

- 5.1 Direct access to Bclear is available to Members of the London Market, including those Affiliates of Members who have been approved by the Exchange pursuant to Rule 3401 (Rules, Book I). Other wholesale market participants who are clients of Members may have indirect access to Bclear on an intermediated basis via such Members, i.e. as is the case with their LIFFE CONNECT® business. Members will be required to perform appropriate risk management checks in relation to all client business before it is subjected to the Exchange’s trade confirmation process.
- 5.2 To report trades in the Contracts via Bclear, Members will require a Financial Futures Subscription and will need to have completed the relevant Bclear application form, which can be found on the NYSE Euronext website (www.nyx.com/liffe).
- 5.3 To claim trades only, whether reported via Bclear or submitted to LIFFE CONNECT®, Members will need to have the appropriate entitlement set up in the membership database and access to the Universal Clearing Platform (“UCP”).
- 5.4 To clear trades in the Contracts, Members will require the relevant clearing status (GCM or ICM) and access to UCP.

² Current Bclear Rules for equity derivatives and commodity derivatives allow a one hour reporting time.

- 5.5 Transactions reported via Bclear can be identified in UCP and subsequent end of day clearing reconciliation reports by a Trading Environment/Venue Type of “X”.
- 5.6 Further details about how to access Bclear can be found on the NYSE Euronext website (www.nyx.com/bclear).

6. Business Days and Hours

6.1 The Bclear service is available from 08:00 to 18:00 hours London time. On the Last Trading Day of a delivery month, the latest time that a Bclear trade in respect of that delivery month may be submitted shall be the time at which trading in the delivery month ceases on the Central Order Book as set out in the table below:

Contract	Bclear Reporting Deadline on the Last Trading Day
Euribor Futures	10:00 hours (London time)
Short Sterling Futures	11:00 hours (London time)
Long Gilt Futures	11:00 hours (London time)

6.2 Trades in the Contracts may be reported via Bclear on those market days on which the Contracts are available for trading on LIFFE CONNECT®. The table below sets out the trading arrangements for the Contracts for the period Monday 24 December 2012 to Tuesday 1 January 2013:

Monday 24 December 2012	Half day trading, with the Contracts closing in line with the Central Order Book Contracts, as set out below: <ul style="list-style-type: none"> • Euribor Futures: 12:25 hours • Short Sterling Futures: 12:20 hours • Long Gilt Futures: 12:15 hours
Tuesday 25 and Wednesday 26 December 2012	Market Closed (UK Public Holidays)
Thursday 27 and Friday 28 December 2012	Normal trading days
Monday 31 December 2012	Half day trading, with the Contracts closing in line with the Central Order Book Contracts, as set out below: <ul style="list-style-type: none"> • Euribor Futures: 12:25 hours • Short Sterling Futures: 12:20 hours • Long Gilt Futures: 12:15 hours
Tuesday 1 January 2013	Market Closed (UK Public Holiday)

7. Fees

7.1 Transaction fees will be charged on a per lot per side basis as set out in the table below. Standard fees apply in respect of clearing, cash settlement and delivery of open positions following expiry. Those fees can be found in the Fixed Income section of the Subscriptions, Fees and Charges schedule, which can be found on the NYSE Euronext website (www.nyx.com/subs_fees_and_charges).

Contract	Bclear Processing / Trading Fee (Per Lot Per Side) (£)
Euribor Futures	0.35
Short Sterling Futures	0.35
Long Gilt Futures	0.30

7.2 Trades in the Contracts reported via Bclear will not be included in volume calculations in respect of the Exchange's current liquidity provider or market maker programmes.

8. U.S. Regulatory Position

8.1 Members should note that U.S. Persons³ are not currently permitted to engage in transactions in the Contracts within Bclear with the exception of specified options based on UK shares and the FTSE 100 Index. For further information please see London Notice No. [3069](#), issued on 4 September 2008.

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

Fixed Income	+44 (0)20 7379 2222	stirs@nyx.com
Bclear Operations	+44 (0)20 7379 2969	bclear@nyx.com

³ As defined by the Commodity Futures Trading Commission ("CFTC")

LIFFE Rules (Book II)

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SECTION 12 – BCLEAR SERVICE

12.7 Reporting procedures

12.7.4 An *OTC Trade Reporting Member* must submit to the *Exchange* the details of the *OTC Trade* described in LIFFE Rule 12.7.3(b) to (m), as applicable, as soon as practicable. In any event, the details of ~~an~~ the *OTC Trade* entered into during Bclear business hours must be submitted by the *OTC Trade Reporting Member* within the time period specified by *Notice*. ~~one hour of the time at which the *OTC Trade* was entered into or by the close of the *Bclear Service* on that day, whichever is earlier. *OTC Trades* entered into outside of Bclear business hours must be submitted by the *OTC Trade Reporting Member* within one hour of the *Bclear Service* next becoming available. *OTC Trades* shall be reported by the means specified by *Notice*.~~ *Members* must not delay the reporting of *OTC Trades*.