

LONDON NOTICE NO. 3757

Issue Date: 11 November 2013

Effective Date: 15 November 2013

INTRODUCTION OF ADDITIONAL FIXED INCOME PRODUCTS ON BCLEAR

Executive Summary

This Notice informs Members that certain additional Fixed Income contracts will be made available on Bclear on and from 15 November 2013.

1. Introduction

- 1.1 On 30 November 2012, London Notice No. [3665](#) informed Members of the availability of the Euribor[®], Short Sterling and Long Gilt Futures Contracts within Bclear on and from Monday 10 December 2012.
- 1.2 This Notice informs Members that the Exchange has now determined to introduce the following Fixed Income Contracts (the "Contracts") onto the Bclear service on and from **Friday 15 November 2013**:
 - Short Gilt Futures Contract ("Short Gilt Futures");
 - Medium Gilt Futures Contract ("Medium Gilt Futures");
 - Japanese Government Bond Futures Contract ("JGB Futures");
 - Euro Swapnote[®] Futures Contract ("Euro Swapnote[®] Futures");
 - U.S. Dollar Swapnote[®] Futures Contract ("Dollar Swapnote[®] Futures"); and
 - Three Month Euro Swiss Franc (Euroswiss) Interest Rate Futures Contract ("Euroswiss Futures").
- 1.3 Business submitted to Bclear must meet a minimum volume threshold (Section 3 of this Notice refers) and be priced at fair value, in accordance with the Bclear Rules.
- 1.4 Transactions submitted 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. The reporting deadlines will mirror those used for the Exchange's current Block Trade Facility as set out in section 4.1.
- 1.5 This Notice provides Members with the following information with respect to the introduction of the Contracts on Bclear:

- (a) Contract Details;
- (b) Minimum Volume Requirements;
- (c) Reporting Requirements and Trade Publication;
- (d) Access to Bclear;
- (e) Business Days and Hours;
- (f) Bclear Fees; and
- (g) U.S. Regulatory Position.

2. Contract Details

- 2.1 The Contracts are currently available via the Central Order Book and the Exchange's Wholesale services. Business submitted to the Exchange via Bclear will be fully fungible with the existing Contracts, and will form part of a single pool of open interest in the relevant contract.
- 2.2 The Contracts submitted via Bclear will be subject to the same Daily Settlement Price and final Exchange Delivery Settlement Price as those submitted via the Central Order Book and the Exchange's Wholesale Services.

3. Minimum Volume Requirement

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

SHORT GILT FUTURES	OUTRIGHTS	STRATEGIES ¹ (PER LEG)
ALL MONTHS	1,000	1,000
MEDIUM GILT FUTURES	OUTRIGHTS	STRATEGIES ¹ (PER LEG)
ALL MONTHS	1,000	1,000
JGB FUTURES	OUTRIGHTS	STRATEGIES ¹ (PER LEG)
ALL MONTHS	1,000	1,000
EURO SWAPNOTE [*]	OUTRIGHTS	STRATEGIES ¹ (PER LEG)
TWO YEAR	1,500	1,500
FIVE YEAR	1,000	1,000
TEN YEAR	1,000	1,000
U.S. DOLLAR SWAPNOTE [*]	OUTRIGHTS	STRATEGIES ¹ (PER LEG)
TWO YEAR	1,500	1,500
FIVE YEAR	1,000	1,000
TEN YEAR	1,000	1,000
EUROSWISS FUTURES	OUTRIGHTS	STRATEGIES ¹ (AGGREGATE)
WHITE MONTHS (Q1-Q4)	5,000	7,500
RED MONTHS (Q5-Q8)	2,000	3,000
OTHER MONTHS	1,000	1,500

¹ For strategy trades involving more than one contract month 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 times 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.

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 3601 (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 Universal Trading Platform (“UTP”) 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 submit 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 [here](#).

5.3 To claim trades only, whether submitted via Bclear or via UTP, 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.

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 [here](#).

6. Business Days and Hours

- 6.1 Transactions in respect of the Contracts may be reported via Bclear on those market days in which the Contracts are available for trading on UTP.
- 6.2 The table below sets out the Bclear trading hours for the Contracts. Members should note that, for the majority of the Contracts, the Bclear trading hours are different from those on the Central Order Book.

CONTRACT	BCLEAR TRADING HOURS (London Time)
SHORT GILT FUTURES	08:00 to 18:00
MEDIUM GILT FUTURES	08:00 to 18:00
JGB FUTURES	08:00 to 16:00
EURO SWAPNOTE [®]	08:00 to 18:00
U.S. DOLLAR SWAPNOTE [®]	08:00 to 18:00
EUROSWISS FUTURES	08:00 to 18:00

- 6.3 The hours of availability pertaining to public holidays will be published when applicable by the Exchange.
- 6.4 On the Last Trading Day of a delivery/expiry month, the latest time that a Bclear trade in respect of that delivery/expiry month may be submitted shall be the time at which trading in the delivery/expiry month ceases on the Central Order Book as set out in the table below:

CONTRACT	BCLEAR REPORTING DEADLINE ON THE LAST TRADING DAY
SHORT GILT FUTURES	11:00 (London time)
MEDIUM GILT FUTURES	11:00 (London time)
JGB FUTURES	16:00 (London time)
EURO SWAPNOTE [®]	11:00 (Brussels time)
U.S. DOLLAR SWAPNOTE [®]	11:00 (New York time)
EUROSWISS FUTURES	11:00 (London time)

7. Bclear Fees

- 7.1 The fees levied, per lot per side, for Contracts submitted for processing via the Bclear service are set out in the table below. Standard fees apply in respect of transaction clearing, and 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, found on the NYSE Euronext website [here](#).

CONTRACT	BCLEAR PROCESSING / TRADING FEE (PER LOT PER SIDE)
SHORT GILT FUTURES	£0.30
MEDIUM GILT FUTURES	£0.30
JGB FUTURES	¥50
EURO SWAPNOTE [®]	£0.25
U.S. DOLLAR SWAPNOTE [®]	£0.25
EUROSWISS FUTURES	£0.35

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. Persons² are not permitted to engage in transactions in the Contracts on Bclear. The Exchange will advise Members in due course if and when the appropriate regulatory approvals are achieved.

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

Fixed Income	+44 (0)20 7379 2222	rates@nyx.com
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² As defined by the Commodity Futures Trading Commission (“CFTC”)