

## LONDON NOTICE NO. 3680

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### RENEWAL OF THE EQUITIES NEW MARKET PARTICIPANT PROGRAMME FOR THE FTSE 100 INDEX FUTURES CONTRACT

#### Executive Summary

This Notice informs Members of the renewal of the Equities New Market Participant Programme for the FTSE 100 Index Futures contract.

#### 1. Introduction

- 1.1 London Notice No. [3547](#), issued on 19 December 2011, informed Members of the introduction of an Equities New Market Participant Programme for the FTSE 100 Futures contract.
- 1.2 This Notice informs Members of the renewal of the Equities New Market Participants Programme for the FTSE 100 Index Futures Contract (the “ENMP Programme”), which is open to applications up to and including 31 December 2013, and invites participants who are new to trading FTSE 100 Index Futures to apply.

#### 2. Benefits of the ENMP Programme

- 2.1 Each participant who is approved on the ENMP Programme will benefit from a full Exchange trading fee rebate in respect of Qualifying Business, subject to a monthly volume cap, for a period of twenty four calendar months, commencing the month in which they are approved on the ENMP Programme. Details of the monthly volume caps are detailed in the table below:

Calendar Month	Volume Cap Per Calendar Month
Month One to Three	2,000
Month Four to Six	4,500
Month Seven to Nine	7,000
Month Ten to Twelve	10,000
Month Thirteen to Fifteen	7,000
Month Sixteen to Eighteen	4,500
Month Nineteen to Twenty one	3,000
Month Twenty two to Twenty four	2,000

- 2.2 Any business executed in excess of the monthly volume caps set out in paragraph 2.1 will be charged at the standard Exchange trading fee for the FTSE 100 Index Futures Contract and such business shall not be eligible for any rebates.
- 2.3 For the avoidance of doubt, standard clearing fees of 3 pence per side, per lot will continue to apply for all business transacted by participants registered on the ENMP Programme.
- 2.4 Full details of NYSE Liffe's Subscriptions, Fees and Charges are available on the NYSE Euronext website ([www.nyx.com/subsfeescharges](http://www.nyx.com/subsfeescharges)).

### **3. Qualifying Business**

3.1 Under the ENMP Programme, "Qualifying Business" is business which must be:

- (a) executed in the FTSE 100 Index Futures Contract;
- (b) executed by, and assigned to, a person registered by the Exchange as a participant in the ENMP Programme (the "ENMP");
- (c) own/proprietary account business of the ENMP, and not client business; and
- (d) executed on LIFFE CONNECT®.

Business which satisfies all the criteria set out above will qualify for the benefits described in paragraph 2.1.

3.2 The purpose of the ENMP Programme is to encourage new traders who intend to trade for their own or proprietary accounts only. Therefore, individuals who intend also to execute business on behalf of clients while participating in the ENMP Programme must ensure that only own/proprietary account business is assigned to the Universal Clearing Platform ("UCP") Account References registered with the Exchange for the purposes of the ENMP Programme.

### **4. Eligibility for the ENMP Programme**

4.1 The ENMP Programme is only open to individual traders who are new to trading the FTSE 100 Index Futures Contract. For the purpose of the ENMP Programme, an Equity New Market Participant ("ENMP") is defined as an individual:

- (a) who has no prior experience of trading the FTSE 100 Index Futures Contract, who is undergoing training which involves trading the FTSE 100 Index Futures Contract, and who will support and enhance the liquidity of the contract;
- (b) whose principal activities will 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
- (c) whose trading activity will contribute to price discovery and will satisfy the futures order flow of other market participants.

- 4.2 To be eligible, traders must continue to receive suitable training support within their trading firm. Members are reminded of their overarching obligations under the Rules to organise and control their affairs in a responsible manner and to ensure that all staff involved in LIFFE business are suitable, adequately trained and properly supervised. Relevant guidance in this respect was issued under cover of Circular No. [99/28](#) on 25 February 1999.
- 4.3 Each individual applying for inclusion in the ENMP Programme may participate for a maximum period of twenty four calendar months.
- 4.4 Individuals registered for inclusion in the ENMP Programme are excluded from registration in 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) during the period of their inclusion in this ENMP Programme.

## **5. Application Process**

- 5.1 The application form for the ENMP Programme is available from Account Managers and the NYSE Euronext website ([www.nyx.com/equity-programs-london](http://www.nyx.com/equity-programs-london)). Those wishing to apply for the ENMP Programme should complete the form and submit it to their Account Manager before 31 December 2013. The Exchange’s decision as to whether an applicant should be approved as an ENMP on the ENMP Programme shall be final and binding.
- 5.2 Non-members must obtain the necessary approval from the relevant Member and Clearing Member before applying for the ENMP Programme. Non Clearing Members of the Exchange must also obtain the necessary approval from their Clearing Member before applying.
- 5.3 ENMP 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 ENMP 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.

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

- 6.1 Once an ENMP has been registered, 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 UCP) used exclusively by the ENMP and solely for their activity in that capacity.
- 6.2 Applicants should be aware that after a LIFFE CONNECT® trade enters UCP, the Account Reference field can be amended through UCP post trade processing any time up until 21:301 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 ENMP 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 ENMP 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.
- 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 standard fees as published on the NYSE Euronext website. The Exchange will then calculate the rebates on Qualifying Business for approved ENMPs and make rebates to Clearing Members during the following calendar month. For example, rebates for Qualifying Business transacted in January 2013 will be calculated in February 2013 for payment to Clearing Members at the beginning of March 2013.
- 7.2 In the event that any business which may give rise to a benefit under the terms of the ENMP Programme may also qualify as business undertaken by the ENMP 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 reserves the right in its absolute discretion to 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 ENMP Programme;
  - (c) re-charge some or all of the rebates made under the Other Arrangements or the ENMP Programme; and
  - (d) terminate the Agreement governing the ENMP Programme by notice to the parties with immediate effect.
- 7.3 The Exchange reserves the right in its absolute discretion to terminate the ENMP Programme by Notice.

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

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