

## LIFFE NOTICE NO. 3846

Issue Date: 24 July 2014

Effective Date: 30 July 2014

**OPTION CONTRACT ON EQUITY RELATED SECURITIES (INCLUDING COMPANY SHARES AND EXCHANGE TRADED FUND SHARES) (EXCHANGE CONTRACT NO. 201)**

**EQUITY RELATED SECURITY CONTRACT (INCLUDING COMPANY SHARES, DEPOSITARY RECEIPTS AND EXCHANGE TRADED FUND SHARES) (EXCHANGE CONTRACT NO. 211)**

**INTRODUCTION OF ADDITIONAL INDIVIDUAL EQUITY OPTION CONTRACTS**

### Executive Summary

This Notice informs Members of the introduction of additional standard Individual Equity Option Contracts based on Afren Plc, Ophir Energy Plc and Premier Oil Plc company shares (listed on the London Stock Exchange) which will be made available on the Universal Trading Platform and within Bclear on and from 30 July 2014, subject to conclusion of regulatory processes.

### 1. Introduction

- 1.1 Subject to conclusion of regulatory processes, on and from 30 July 2014, the Exchange will make available additional standard Individual Equity Option Contracts ("IEOs") based on Afren Plc, Ophir Energy Plc and Premier Oil Plc company shares (the "Contracts") listed on the London Stock Exchange ("the LSE") on UTP and within Bclear. Liffe Notice No. 3847, also issued today, provides details of the introduction, on Bclear, of flexible IEOs on these company shares.

### 2. Details of the standard IEOs to be made available on the UTP and within Bclear

- 2.1 Subject to conclusion of regulatory processes, on and from 30 July 2014, the Contracts, and for the purpose of Stock Contingent Trades Equity Shares Contracts, will be made available for trading on UTP under the terms of Exchange Contracts No. 201 and No. 211 respectively. The necessary additions to the Lists of Contract Details in respect of Exchange Contracts No. 201 and No. 211 are set out, respectively, in Attachments 1 and 2 to this Notice.
- 2.2 The Contracts will follow the 1, 2, 3, 6, 9, 12 expiry cycle. The initial expiry months available will be **August 2014, September 2014, October 2014, December 2014, March 2015 and June 2015**.
- 2.3 The Contracts shall be included in the Exchange's Block Trade Facility with effect from 30 July 2014. The Block Trade minimum volume threshold for the Contracts shall be set at **500 lots**.
- 2.4 The Contracts will be subject to the minimum volume requirement for standard IEOs within Bclear. The Bclear minimum volume threshold for the Contracts is therefore set at **250 lots**.

### 3. Liquidity Provider Programmes

- 3.1 Members who would like to apply for a Liquidity Provider role in respect of any of the Contracts should complete the Application Form available on the website: [www.nyx.com/elps](http://www.nyx.com/elps). The Application Form should be sent to Global Analytics via fax (+31 (0)20 550 5101) or email ([LPEurope@nyx.com](mailto:LPEurope@nyx.com)) by no later than **midday on 28 July 2014**.
- 3.2 The Contracts will be part of the “Non-Target Group”. The Exchange will initially select up to ten Market Makers (Primary Liquidity Providers (“PLPs”) and Competitive Market Makers (“CMMs”)) for Non-Target Group option classes on the basis of applications received from Members.
- 3.3 The relevant Spread Group and Minimum Order Size will be as follows:

Company	UCP Contract Code	Spread Group	Minimum Order Size
Afren Plc	AF	2	10
Ophir Energy Plc	OP	2	10
Premier Oil Plc	PMO	4	5

- 3.4 Members will recall that the maximum spreads per group depend on the option bid price set out in the “Current Spreads and Size Obligations for Liquidity Providers” document on the website: [www.nyx.com/elps](http://www.nyx.com/elps). A summary of maximum spreads per group is set out in the table below:

Maximum Spreads per Group				
Option Bid Price	Group 1	Group 2	Group 3	Group 4
≤15p	5p	7p	10p	15p
≤ 30p	6p	8p	12p	20p
≤ 60p	7p	9p	15p	25p
≤ 100p	8p	10p	15p	30p
≤ 150p	15p	20p	30p	40p
≤ 1000p	15p	40p	60p	60p
>1000p	20p	60p	100p	100p

- 3.5 Members are reminded that the appointment of each PLP/CMM will be subject to a binding contract (“the Agreement”) between the successful applicant and the Exchange. A completed Application Form does not constitute such an Agreement. Furthermore, a successful applicant’s Liquidity Provider status, and therefore the period for which the Liquidity Provider may receive financial benefits, may not be deemed to have commenced until the Agreement is completed and signed by all parties.

- 3.6 For further information in respect of PLP/CMM roles and the Liquidity Provider Programmes in general, Members should refer to Liffe Info-Flash No. [LO14/52](#), issued on 17 June 2014.

#### **4. U.S. Regulatory Position**

- 4.1 The standard and flexible Individual Equity Option Contracts will be “Eligible Options” (as referred to in London Notice No. [3732](#), issued on 3 July 2013) in respect of the transaction of business with specified U.S. entities.
- 4.2 London Notice No. [3732](#) also set out minor revisions to the arrangements under which specified U.S. persons are permitted to engage in transactions in Eligible Options and detailed an extension to the list of options covered by such arrangements. The list of “Eligible Options” now consists of all current Liffe Individual Equity Option, and Index Option, Contracts based on non-US underlyings.
- 4.3 By extension, the arrangements set out in the aforementioned Notice also apply to the offer and sale in the U. S. of the corresponding Equity Shares Contract given that an Equity Shares Contract has to be executed as part of a Stock Contingent Trade.
- 4.4 The updated list of “Eligible Options” will be available on the website ([www.nyx.com/liffe](http://www.nyx.com/liffe)) in due course.

#### **5. Stamp Duty on Transfer of UK Securities**

- 5.1 Members who wish to receive stamp duty relief should note that a recognised Options Intermediary on Liffe taking delivery from the LSE of Afren Plc, Ophir Energy Plc and Premier Oil Plc company shares set out in Attachment 1 to this Notice would not be subject to stamp duty.

#### **6. Additional Information**

- 6.1 Updated Lists of Contract Details in respect of Exchange Contracts No. 201 and No. 211 will be made available in the Liffe Market Handbook and on the website ([www.nyx.com/liffemarkethandbook](http://www.nyx.com/liffemarkethandbook)) in due course.
- 6.2 Additional information, including business days and hours, fees and other information with respect to the operation of UTP and Bclear, can be found on the website ([www.nyx.com/bclear](http://www.nyx.com/bclear)).

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

Equity Derivatives

+44 (0)207 429 4635

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

**List of Company Shares that may be the subject of a lot  
in respect of Exchange Contract No. 201**

Company	Share	Contract Code	Expiry month cycle*	Tick Size
Afren Plc	GB00B0672758	AF	1, 2, 3, 6, 9, 12	0.25p
Ophir Energy Plc	GB00B24CT194	OP	1, 2, 3, 6, 9, 12	0.25p
Premier Oil Plc	GB00B43G0577	PMO	1, 2, 3, 6, 9, 12	0.25p

\*1, 2, 3 (Every month), 6, 9, 12 (Mar, Jun, Sep, Dec)

**LIST OF COMPANY SHARES THAT MAY BE SUBJECT TO A CONTINGENT TRADE  
IN RESPECT OF EXCHANGE CONTRACT NO. 211**

COMPANY	SHARE	RELEVANT STOCK EXCHANGE**	SETTLEMENT DAY*	MINIMUM PRICE FLUCTUATION
Afren Plc	GB00B0672758	London Stock Exchange	Third Business day after trade date	0.01p
Ophir Energy Plc	GB00B24CT194	London Stock Exchange	Third Business day after trade date	0.01p
Premier Oil Plc	GB00B43G0577	London Stock Exchange	Third Business day after trade date	0.01p

\*A business day in the context of the settlement period is described as a day on which a particular security can be settled by the relevant settlement agent\*\*, irrespective of a currency holiday in the local market.

\*\*Relevant Settlement System for Physically Delivered contracts

**Relevant Stock Exchange**

London Stock Exchange  
Deutsche Börse (Xetra)  
SIX Swiss Exchange  
Euronext Amsterdam  
Euronext Paris  
Others

**Relevant Settlement System**

Euroclear UK & Ireland  
Clearstream Banking Frankfurt AG  
SIS SIX AG  
Euroclear Nederland  
Euroclear France  
Euroclear Bank