

## LONDON NOTICE NO. 3791

Issue Date: 29 January 2014

Effective Date: 4 February 2014

**UNIVERSAL STOCK FUTURES CONTRACT (CASH SETTLEMENT) (EXCHANGE CONTRACT NO. 56)**

**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 AND UNIVERSAL STOCK FUTURES CONTRACTS**

### Executive Summary

This Notice informs Members of the introduction of an additional standard Individual Equity Option Contract based on Ashtead Group Plc company shares (listed on the London Stock Exchange), and a number of additional standard Universal Stock Futures Contracts, which will be made available on the Universal Trading Platform and within Bclear on and from 4 February 2014.

## 1. Introduction

1.1 On and from 4 February 2014, the Exchange will make available:

- (i) an additional standard Individual Equity Option Contract based on Ashtead Group Plc company shares (the "Contract") listed on the London Stock Exchange ("the LSE") on UTP and within Bclear; and
- (ii) a number of standard Universal Stock Futures Contracts ("USFs") on UTP and within Bclear.

## 2. Details of the standard Individual Equity Option Contract to be made available on the UTP and Bclear

2.1 On and from 4 February 2014, the Contract, and for the purpose of Stock Contingent Trades an Equity Shares Contract, 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.

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.

- 2.2 The Contract will follow the 3, 6, 9 expiry cycle. The initial expiry months available will be **March 2014, June 2014 and September 2014.**
- 2.3 The Contract shall be included in the Exchange’s Block Trade Facility with effect from 4 February 2014. The Block Trade minimum volume threshold for the Contract shall be set at 500 lots.
- 2.4 The Contracts will be subject to the minimum volume requirement for standard individual equity option contracts within Bclear. The Bclear minimum volume threshold for the Contract 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 the Contract should complete the Application Form available on the NYSE Euronext website: [www.nyx.com/elps](http://www.nyx.com/elps) (under the Stock Options and London headings). The Application Form should be sent to the Business Statistics & Data intelligence department via fax (+31 (0)20 550 5101) or email ([LPEurope@nyx.com](mailto:LPEurope@nyx.com)) by no later than **5 pm on 30 January 2014.**
- 3.2 The Contract will be part of the “Non-Target Group”. NYSE Liffe 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
Ashtead Group Plc	AH	3	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 NYSE Euronext website: [www.nyx.com/elps](http://www.nyx.com/elps), in respect of market making programmes for the London market. 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 London Info-Flash No. [LO13/37](#), issued on 10 June 2013.

#### **4. Details of the standard Universal Stock Futures Contracts to be made available on the UTP and within Bclear**

4.1 On and from 4 February 2014, additional USFs will be made available under the terms of Exchange Contract No. 56 on the company shares set out in Attachment 3 to this Notice.

4.2 Two serial delivery months and two quarterly delivery months from the March, June, September and December cycle will be made available for trading. The initial delivery months available will be **February 2014, March 2014, April 2014 and June 2014**. New delivery months are available for trading on the first business day after the expiry of a maturity.

4.3 The new USFs shall be included in the Exchange’s Block Trade Facility, and subject to minimum volume thresholds as detailed in Attachment 4 to this Notice. The new USFs will also be eligible for trading as part of a Basis Trade or Asset Allocation. There will be no minimum volume threshold for the new USFs when reported via Bclear.

4.4 If, at the start of business on 4 February 2014, open positions exist in any of the cash settled flexible Futures that are listed under Exchange Contract No. 66F, with the same expiry date(s) as the standard Futures contracts being introduced here, then the open positions held in the flexible contract shall be replaced by novation with open positions based on the same securities, in the terms of Exchange Contract No. 56, in accordance with term 2.04 of Exchange Contract No. 66F.

4.5 A Designated Market Making (“DMM”) Programme will be available for these USFs and Members are invited to apply for DMM status in one or more USF(s). Details of the DMM Programme are available on the NYSE Euronext website at [www.nyx.com/elps](http://www.nyx.com/elps) (under the Stock Futures and London headings). For further information in respect of the DMM Programme, Members should refer to London Info-Flash No. [LO13/62](#), issued on 31 July 2013.

#### **5. U.S. Regulatory Position**

5.1 The standard Individual Equity Option Contract will be an “Eligible Option” (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.

5.2 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.

- 5.3 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.
- 5.4 The updated list of “Eligible Options” will be available on the NYSE Euronext website ([www.nyx.com/liffe](http://www.nyx.com/liffe)) in due course.
- 5.5 Members should note that currently U.S. persons are **not** permitted to engage in transactions in Universal Stock Futures.

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

- 6.1 Members who wish to receive stamp duty relief should note that a recognised Options Intermediary on LIFFE taking delivery from the LSE of Ashtead Group plc company shares set out in Attachment 1 to this Notice would not be subject to stamp duty.

## **7 Additional Information**

- 7.1 Updated Lists of Contract Details in respect of Exchange Contracts No. 201, No. 211 and No. 56 will be made available in the London Market Handbook and on the NYSE Euronext website ([www.nyx.com/londonmarkethandbook](http://www.nyx.com/londonmarkethandbook)) in due course.
- 7.2 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 NYSE Euronext website ([www.nyx.com/bclear](http://www.nyx.com/bclear)).

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

Equity Derivatives Product Management

+44 (0)20 7379 2200

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

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

<b>Company</b>	<b>Share</b>	<b>Contract Code</b>	<b>Expiry months</b>	<b>Tick Size</b>
Ashtead Group Plc	GB0000536739	AH	3, 6, 9	0.25p

**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
Ashtead Group Plc	GB0000536739	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



<b>Company</b>	<b>Allianz AG</b>	<b>Daimler AG</b>	<b>Commerzbank AG</b>
<b>ISIN Code</b>	DE0008404005	DE0007100000	DE000CBK1001
<b>Contract Code</b>	ALV	DCY	CBK
<b>Relevant Stock Exchange</b>	Deutsche Börse	Deutsche Börse	Deutsche Börse
<b>Underlying Currency</b>	€	€	€
<b>Relevant Currency</b>	€	€	€
<b>Minimum Price Fluctuation</b>	€ 0.0001	€ 0.0001	€ 0.0001
<b>Minimum EDSP Price Increment</b>	€ 0.0001	€ 0.0001	€ 0.0001
<b>Lot size (number of shares)</b>	100	100	100
<b>Last Trading Day (“LTD”)</b>	Third Friday of the delivery month	Third Friday of the delivery month	Third Friday of the delivery month
<b>Last Trading Day: time trading ceases</b>	16:30 hours (London time)	16:30 hours (London time)	16:30 hours (London time)
<b>Reference Day</b>	LTD	LTD	LTD
<b>Relevant Reference Price</b>	Official Closing Price	Official Closing Price	Official Closing Price
<b>Conversion Rate</b>	n/a	n/a	n/a
<b>Settlement Day</b>	Market day immediately following LTD	Market day immediately following LTD	Market day immediately following LTD

**Block Trade Minimum Volume Thresholds for the additional Universal Stock Futures  
(Cash Settlement)**

<b>CONTRACT (LIFFE UCP CODE)</b>	<b>CONTRACT MONTH</b>	<b>MINIMUM VOLUME THRESHOLD LEVEL (LOTS)</b>
ALV, DCY, INB	Outrights in all months	500
	Strategies involving all months	500 each leg of strategy
DBK	Outrights in all months	1,000
	Strategies involving all months	1,000 each leg of strategy
EOA	Outrights in all months	1,500
	Strategies involving all months	1,500 each leg of strategy
BVA, CBK, TEF	Outrights in all months	2,500
	Strategies involving all months	2,500 each leg of strategy
SCH	Outrights in all months	5,000
	Strategies involving all months	5,000 each leg of strategy