

LIFFE NOTICE NO. 3830

Issue Date: 19 May 2014

Effective Date: 27 May 2014

EQUITY INDEX CONTRACTS (EXCHANGE CONTRACT NO. 301)

INTRODUCTION OF AN INDEX FUTURES CONTRACT BASED ON THE FTSE 100 EQUALLY WEIGHTED NET TOTAL RETURN INDEX

Executive Summary

This Notice informs Members of the introduction on Bclear of a futures contract based on the FTSE 100 Equally Weighted Net Total Return Index with effect from 27 May 2014.

1. Introduction

- 1.1 This Notice informs Members that a futures contract based on the FTSE 100 Equally Weighted Index (the “Index”), calculated on a “Net Total Return” basis (“the Contract”) will be made available via Bclear on and from 27 May 2014.
- 1.2 This Notice provides Members with the following information with respect to the introduction of the Contract:
 - (a) summary contract specification and contract terms;
 - (b) Bclear minimum volume requirements;
 - (c) access and reporting rights;
 - (d) reporting days, reporting hours and Last Trading Day;
 - (e) fees;
 - (f) statement in relation to the Contract; and
 - (g) the regulatory position in the United States.

2. FTSE 100 Equally Weighted Index

- 2.1 The Index is an equally weighted version of the FTSE 100 Index and the constituent companies will be the same as those within the FTSE 100 Index at all times.
- 2.2 The Index has been designed to permit the monitoring of the performance of the FTSE 100 Index constituent companies, where all index components are treated equally. FTSE is responsible for the operation of the Index, carrying out reviews and constituent changes as required by its Ground Rules.

- 2.3 The Index is calculated on a “Net Total Return” basis. It measures the market performance, including both price performance and income from dividend payments.
- 2.4 The Index will be equally weighted with each company in each quarterly review. At each quarterly review, the components of the index will be reset to an equal weight. The quarterly review will be implemented in line with the FTSE 100 Index and will be implemented after the close of trading on the third Friday of March, June, September and December.
- 2.5 For detailed information in respect of FTSE’s Index Calculation Methodology, please refer to FTSE’s website as follows: [Ground Rules for the management of the FTSE 100 Equally Weighted Index](#).

3. Summary Contract Specification and Contract Terms

- 3.1 On and from 27 May 2014, the Contract shall be made available within Bclear under the terms of Exchange Contract No. 301.
- 3.2 The summary Contract Specifications are set out in Attachment 1 to this Notice.
- 3.3 Exchange Contract No. 301 will be amended in order to reflect the inclusion of the Contract and the relevant additions to the table of Contract Details are set out in Attachment 2 to this Notice.
- 3.4 The first delivery month to be made available shall be the June 2014 delivery month.

4. Bclear minimum volume requirements

- 4.1 There is no minimum volume requirement in respect of this Contract.

5. Access and Reporting Rights

- 5.1 Direct access to Bclear is available to Members of the Liffe 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. 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 Contract via Bclear, Members will need a Futures subscription (FUT).
- 5.3 To claim trades only in the Contract, 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 Contract, Members will require the relevant clearing status (GCM or ICM) and access to UCP.

6. Reporting Days, Reporting Hours and Last Trading Day

- 6.1 The Contract will be capable of being reported via Bclear on those market days on which the London Stock Exchange is open for business as specified in Attachment 3 to this Notice.

- 6.2 Members may report business in the Contract to the Exchange via Bclear between 08:00 and 17:30 hours (London time), except on the Last Trading Day when business may be reported to the Exchange via Bclear between 08:00 and 16:30 hours (London time).
- 6.3 The reporting arrangements explained in Section 12 of Book II of the Rules and section 6 of this Notice will, of necessity, determine the days and hours during which the relevant transactions may be undertaken.
- 6.4 The Last Trading Day for the Contract shall normally be the third Friday of the delivery month. However, Members should refer to Term 4 in Exchange Contract No. 301 on the website (www.nyx.com/liffe) and the definition of “business day” in Term 1 which have the following effect in respect of the Last Trading Day: for the Contract, the Last Trading Day will not ordinarily be moved unless the relevant stock exchange is closed for business, subject to Term 4.03.

7. Fees

- 7.1 Business reported via Bclear will be charged on a per lot, per side basis. The Exchange and Clearing fee will be set at £0.40 per lot, per side for published trades and £0.50 per lot, per side for non-published trades.

8. Statement in relation to the Contract

- 8.1 The Exchange draws the following statement to the attention of potential users of the Contract. Members should ensure that their clients are made aware of the statement.

“Statement in relation to the Contract

Potential users of the Equity Index Contracts made available on the London International Financial Futures and Options Exchange should familiarise themselves with the relevant Index rules, construction, calculation and dissemination procedures (together the “Index rules and procedures”) and these contract terms. The various indices underlying the Equity Index Contracts made available under this Exchange Contract No. 301 are calculated and managed by a number of different index providers, each of whom has its own Index rules and procedures. Furthermore, Index construction methodologies vary from Index to Index. Therefore, potential users should ensure that they familiarise themselves with all relevant Index rules and procedures for the specific Equity Index Contracts they intend to use.

Certain Equity Index Contracts may be available for trading for periods of the trading day when one or more (or all) of the relevant underlying stock exchanges are closed. Potential users should consider for themselves, or take advice in relation to, the risks of trading those Contracts while any of the underlying stock exchanges are closed.

Price formation leading to the EDSP for the Equity Index Contracts is subject to similar influences to those in the case of many other cash-settled contracts. Trading activity on the relevant stock market(s) during the EDSP Period is likely to be affected by the activity of particular market participants who are seeking to obtain price convergence at the EDSP between offsetting stock and futures positions. Such participants might typically seek to achieve this by unwinding their stock positions during the EDSP Period at prices which they anticipate will contribute to the calculation of

the Index figure(s) which will, in turn, be used to determine the final EDSP. A consequence of this concentrated activity might be that:

- (a) (with the exception of the Contracts on the MSCI Net Total Return Indices and the MSCI KOKUSAI Gross Total Return Index, in relation to which official Index figures are calculated on a daily basis only), the final EDSP differs from the Index figure immediately prior to the commencement of the EDSP Period and, if relevant, from the Index figure immediately following that period; or
- (b) for the Bclear MSCI Net Total Return Index Contracts and the Bclear MSCI KOKUSAI Gross Total Return Index Contract only, the Index figure used to calculate the final EDSP differs from the Index level(s) implicit (since the Index is not calculated on a realtime basis) from the prices of relevant stocks during the immediately preceding period.

Potential users should, therefore, consider the risks of holding positions into the expiry of the Equity Index Contracts. In particular, they should consider their exposure to potentially unfavourable price movements in the expiry and whether to take steps to neutralise such exposure; for example, taking into account that there may be relatively limited liquidity provision, whether to “roll” or close positions prior to expiry.”

9. U.S. Regulatory Position

- 9.1 Members should note that U.S. Persons are not currently permitted to engage in transactions in the Contract.

10. Additional Information

- 10.1 The updated version of Exchange Contract No. 301 and the List of Contract Details will be made available in the London Market Handbook on the website (www.nyx.com/londonmarkethandbook) in due course.
- 10.2 Additional information, including business days and hours, Bclear fees and other information with respect to the operation of Bclear, can be found on the website (www.nyx.com/bclear).

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

Equity Product Management

+44 (0)20 7429 4635

equities@nyx.com

Summary Contract Specifications

Contract	FTSE 100 Equally Weighted NTR GBP Index Futures
Exchange Contract Code	UEW
Contract Size	Valued at £100 per Index Point
Delivery Months	The first five quarterly months from the March/June/September/December cycle
Quotation	GBP per index point
Trading Tick Size	0.01
Trading Tick Value	£1
EDSP Tick Size	0.01
Last Trading Day	Third Friday of the delivery month
Contract Standard	Cash settlement based on the EDSP
EDSP	Closing value of the Index on the Last Trading Day of the delivery month
EDSP Published	EDSP published as soon as practicable after Last index Price at 16:35 (London Time) on the Last Trading Day
Delivery Date	First Business day after the Last Trading Day
Trading Hours	On Bclear from 08:00 to 17:30 hours (London time)
Time Trading Ceases on LTD	16:30 hours (London time)
Trading Platform	Bclear only
Clearing	ICE Clear Europe
Reuters RICs	Index: .TRIUKXEQ Futures: <0#UEW:>

Additions to Exchange Contract No. 301
Contract Details Specified by the Board for Equity Index Contracts (“Table 1”)

Index	FTSE 100 Equally Weighted NTR GBP Index Futures
Known as Exchange Contract No.	277
Currency specified by the Board	£ sterling
Contract size	£100 per index point
Value of Value Point	£10 per lot
Minimum Price Fluctuation	0. 1 of a Value Point
Delivery months	January, February, March, April, May, June, July, August, September, October, November, December
No. of delivery months available for trading	The first five quarterly months from the March/June/September/December cycle
Quotation	Index Points (e.g. 1,000.0)
Last Trading Day	Third Friday of the delivery month
EDSP: rounding convention	Rounded to the nearest 0.01 or, where such average is an exact uneven multiple of 0.005, to the nearest higher 0.01

Availability of the FTSE 100 Equally Weighted NTR GBP Index Futures via Bclear in 2014¹

Business in respect of the Contract will **not** be capable of being reported via Bclear on the following days:

FTSE 100 Equally Weighted NTR GBP Index Futures	
Summer Bank Holiday	Monday 25 August 2014
Christmas Day	Thursday 25 December 2014
Boxing Day	Friday 26 December 2014

¹ Details of the trading availability of the Contract on 24 and 31 December 2014 will be published nearer to the time.