

LIFFE NOTICE NO. 3818

Issue Date: 4 April 2014

Effective Date: 7 April 2014

SEPARATION OF LIFFE AND EURONEXT BUSINESSES – PUBLICATION OF LIFFE ONLY RULES AND TRADING PROCEDURES

Executive Summary

Following the completion of the corporate reconstruction, the LIFFE and Euronext businesses are now separate entities. This Notice advises Members that with effect on and from Monday 7 April 2014, a LIFFE only set of Rules and Trading Procedures will be in place. Members should note that there are no changes to the requirements and obligations on LIFFE Members.

1. Introduction

- 1.1 This Notice informs Members that, following the acquisition of the NYSE Euronext Group by IntercontinentalExchange Group in November 2013, a corporate reconstruction (“the LIFFE carve out”) has now been completed in order to separate Euronext N.V. and LIFFE Administration and Management (“the Exchange” or “LIFFE”). The separation of the LIFFE and Euronext businesses is the first step towards the planned transition of contracts from LIFFE to ICE Futures Europe later this year.
- 1.2 The LIFFE carve out necessitates the replacement of the existing Harmonised Rule Book with separate Rule Books for Euronext and LIFFE.
- 1.3 This Notice sets out the amendments to the existing Rules and Trading Procedures which are necessary in order to create a separate set of Rules and Trading Procedures for LIFFE. The new set of LIFFE Rules and Trading Procedures will be effective on and from Monday 7 April 2014. None of the amendments has the effect of altering any requirements or obligations on LIFFE Members.
- 1.4 Members are advised that the Corporate Actions policy will also be updated to reflect the LIFFE carve out. This will be issued under separate Notice.

2. Amendments to the Rules and Trading Procedures

- 2.1 As Members are aware, the Exchange is currently governed by two Rule Books: Book I, which is the Harmonised Euronext Rulebook encompassing all of the European Cash and Derivatives markets, and Book II, which is LIFFE market specific. The current Trading Procedures are harmonised across all European Derivatives markets (Part One), with certain market-specific provisions contained in Part Two. The Annexes to the Trading Procedures specify arrangements on a contract by contract basis for all Euronext derivatives markets, including LIFFE.

2.2 As a result of the LIFFE carve out, amendments have been made to each Rule Book. The amendments are limited to changes necessary to accommodate the LIFFE carve out. In relation to the Trading Procedures, as well as amendments for the LIFFE carve out, certain other minor changes have been made which better reflect functionality currently available on the Universal Trading Platform (“UTP”).

2.3 The amendments that have been made to each of the documents are set out below:

2.3.1 Rule Book I

- (a) references to the four continental Euronext markets and the concept of the “Relevant Euronext Market Undertaking” have been deleted.
- (b) Chapter 4 “Trading Rules for Securities”, Chapter 6 “Admission to Listing and Continuing Obligations of Issuers” and Chapter 9 “Measures in Case of Violation of the Rules”, which have no application to LIFFE business, have been deleted in their entirety.
- (c) all other terms and provisions specific to the Cash markets have been deleted.

2.3.2 Rule Book II

- (a) references to “LIFFE Rules” have been replaced with “Rules” or “Book II”, as the context requires.

2.3.3 Trading Procedures

- (a) all of the LIFFE-specific provisions in Part Two of the Trading Procedures have been moved into the main body of the Trading Procedures and the provisions in Part Two specific to the Euronext markets have been deleted, thereby removing Part Two in its entirety.
- (b) references to the “Relevant Euronext Market Undertaking”, “Euronext Derivatives Markets” and “NYSE Liffe” have been deleted and replaced with “the Exchange” where appropriate.
- (c) Trading Procedure 3.2.4 - the “Good In Session” order designation, which is available only on the Paris market, has been deleted and the “Complete Volume” order designation has been renamed “Fill or Kill” to achieve consistency with current UTP terminology.
- (d) the section “Trading for Beneficial Interest” has been deleted due to certain of its provisions being outdated and to avoid duplication with provisions in the LIFFE Rule Book II.

2.3.4 Annexes to the Trading Procedures 1 to 4

- (a) references to the contracts and trading facilities specific to the Euronext markets have been deleted.
- (b) in Annexe 1, the Order Types section has been deleted since this information is now adequately covered in the main body of the Trading Procedures.

(c) also in Annexe 1, revisions have been made to reflect the fact that the volume thresholds for Guaranteed Crosses in a one tick market in respect of strategy trades apply to each leg of a strategy, rather than to the aggregate volume of the strategy.

2.4 The new LIFFE Rule Books and Trading Procedures will be made available on the website in due course (www.nyx.com/liffemarkethandbook).

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

Rachel Woods

+44 (0)20 7379 2292

rwoods@nyx.com