

## LONDON NOTICE NO. 3799

Issue Date: 14 February 2014

Effective Date: 20 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: (a) additional standard Individual Equity Option Contracts based on certain company shares listed on the London Stock Exchange, and a number of additional standard Universal Stock Futures Contracts, which will be made available on UTP and within Bclear on and from 20 February 2014; and (b) a standard Individual Equity Option Contract based on the company shares of Easyjet Plc on UTP and within Bclear on and from 26 February 2014.

## 1. Introduction

1.1 On and from 20 February 2014, the Exchange will make available:

- (a) additional standard Individual Equity Option Contracts ("IEOs") based on certain company shares listed on the London Stock Exchange ("the LSE") on UTP and within Bclear; and
- (b) a number of standard Universal Stock Futures Contracts ("USFs") on UTP and within Bclear.

1.2 On and from 26 February 2014, the Exchange will make available a standard IEO Contract based on the company shares of EasyJet Plc listed on the LSE, on UTP and within Bclear.

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

2.1 On and from 20 February 2014, the IEOs, 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 On and from 26 February 2014, the IEO Contract based on Easyjet Plc company shares, and for the purpose of Stock Contingent Trades an Equity Shares Contract, will also 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.
- 2.3 The IEOs will follow the 3, 6, 9 expiry cycle. The initial expiry months available will be **March 2014, June 2014 and September 2014**.
- 2.4 The IEOs shall be included in the Exchange's Block Trade Facility with effect from 20 February 2014. The Block Trade minimum volume threshold for the IEOs shall be set at 500 lots.
- 2.5 The IEOs will be subject to the minimum volume requirement for standard Individual Equity Option contracts within Bclear, which is 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 IEOs 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 email ([LPEurope@nyx.com](mailto:LPEurope@nyx.com)) by no later than **5pm on 18 February 2014**.
- 3.2 The IEOs 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 Groups and Minimum Order Sizes will be as follows:

| Company                         | UCP Contract Code | Spread Group | Minimum Order Size |
|---------------------------------|-------------------|--------------|--------------------|
| Aberdeen Asset Management Plc   | AAM               | 3            | 3                  |
| Aggreko Plc                     | AGK               | 3            | 3                  |
| Amec Plc                        | AME               | 3            | 3                  |
| Bunzl Plc                       | BNZ               | 3            | 3                  |
| Coca-Cola Hbc Ag                | CL                | 3            | 3                  |
| Easyjet Plc                     | EZJ               | 3            | 3                  |
| Imi Plc                         | IMI               | 3            | 3                  |
| Melrose Industries Plc          | MLE               | 3            | 3                  |
| Mondi Plc                       | MDI               | 3            | 3                  |
| Sports Direct International Plc | SI                | 3            | 3                  |
| Travis Perkins Plc              | TPK               | 3            | 3                  |
| Weir Group Plc                  | WEI               | 3            | 3                  |

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 UTP and within Bclear**

4.1 On and from 20 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 **March 2014, April 2014, May 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 20 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 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.
- 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 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**

| Company                         | Share        | Contract Code | Expiry months | Tick Size |
|---------------------------------|--------------|---------------|---------------|-----------|
| Aberdeen Asset Management Plc   | GB0000031285 | AAM           | 3, 6, 9       | 0.25      |
| Aggreko Plc                     | GB00B4WQ2Z29 | AGK           | 3, 6, 9       | 0.5       |
| Amec Plc                        | GB0000282623 | AME           | 3, 6, 9       | 0.5       |
| Bunzl Plc                       | GB00B0744B38 | BNZ           | 3, 6, 9       | 0.5       |
| Coca-Cola Hbc Ag                | CH0198251305 | CL            | 3, 6, 9       | 0.5       |
| Easyjet Plc <sup>1</sup>        | GB00B7KR2P84 | EZJ           | 3, 6, 9       | 0.5       |
| Imi Plc                         | GB00BGLP8L22 | IMI           | 3, 6, 9       | 0.5       |
| Melrose Industries Plc          | GB00BHY3ZD12 | MLE           | 3, 6, 9       | 0.25      |
| Mondi Plc                       | GB00B1CRLC47 | MDI           | 3, 6, 9       | 0.25      |
| Sports Direct International Plc | GB00B1QH8P22 | SI            | 3, 6, 9       | 0.25      |
| Travis Perkins Plc              | GB0007739609 | TPK           | 3, 6, 9       | 0.5       |
| Weir Group Plc                  | GB0009465807 | WEI           | 3, 6, 9       | 0.5       |

<sup>1</sup> The standard Individual Equity Option Contract based on Easyjet Plc will be made available on and from 26 February 2014.

**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 |
|---------------------------------|--------------|---------------------------|-------------------------------------|---------------------------|
| Aberdeen Asset Management Plc   | GB0000031285 | London Stock Exchange     | Third Business day after trade date | 0.01p                     |
| Aggreko Plc                     | GB00B4WQ2Z29 | London Stock Exchange     | Third Business day after trade date | 0.01p                     |
| Amec Plc                        | GB0000282623 | London Stock Exchange     | Third Business day after trade date | 0.01p                     |
| Bunzl Plc                       | GB00B0744B38 | London Stock Exchange     | Third Business day after trade date | 0.01p                     |
| Coca-Cola Hbc Ag                | CH0198251305 | London Stock Exchange     | Third Business day after trade date | 0.01p                     |
| Easyjet Plc <sup>1</sup>        | GB00B7KR2P84 | London Stock Exchange     | Third Business day after trade date | 0.01p                     |
| Imi Plc                         | GB00BGLP8L22 | London Stock Exchange     | Third Business day after trade date | 0.01p                     |
| Melrose Industries Plc          | GB00BHY3ZD12 | London Stock Exchange     | Third Business day after trade date | 0.01p                     |
| Mondi Plc                       | GB00B1CRLC47 | London Stock Exchange     | Third Business day after trade date | 0.01p                     |
| Sports Direct International Plc | GB00B1QH8P22 | London Stock Exchange     | Third Business day after trade date | 0.01p                     |
| Travis Perkins Plc              | GB0007739609 | London Stock Exchange     | Third Business day after trade date | 0.01p                     |
| Weir Group Plc                  | GB0009465807 | London Stock Exchange     | Third Business day after trade date | 0.01p                     |

<sup>1</sup> The standard Individual Equity Option Contract based on Easyjet Plc will be made available on and from 26 February 2014.

\*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\*\*,

\*\*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>                               | OMV AG                               | RWE AG                               | Siemens AG                           | Telekom Austria AG                   |
| <b>ISIN Code</b>                             | AT0000743059                         | DE0007037129                         | DE0007236101                         | AT0000720008                         |
| <b>Contract Code</b>                         | OMV                                  | RWE                                  | SIM                                  | TAG                                  |
| <b>Relevant Stock Exchange</b>               | Vienna Stock Exchange                | Deutsche Börse                       | Deutsche Börse                       | Vienna Stock Exchange                |
| <b>Underlying Currency</b>                   | €                                    | €                                    | €                                    | €                                    |
| <b>Relevant Currency</b>                     | €                                    | €                                    | €                                    | €                                    |
| <b>Minimum Price Fluctuation</b>             | € 0.0001                             | € 0.0001                             | € 0.0001                             | € 0.0001                             |
| <b>Minimum EDSP Price Increment</b>          | € 0.0001                             | € 0.0001                             | € 0.0001                             | € 0.0001                             |
| <b>Lot size (number of shares)</b>           | 100                                  | 100                                  | 100                                  | 100                                  |
| <b>Last Trading Day (“LTD”)</b>              | Third Friday of the delivery month   |
| <b>Last Trading Day: time trading ceases</b> | 16:30 hours<br>(London time)         | 16:30 hours<br>(London time)         | 16:30 hours<br>(London time)         | 16:30 hours<br>(London time)         |
| <b>Reference Day</b>                         | LTD                                  | LTD                                  | LTD                                  | LTD                                  |
| <b>Relevant Reference Price</b>              | Official Closing Price               | Official Closing Price               | Official Closing Price               | Official Closing Price               |
| <b>Conversion Rate</b>                       | n/a                                  | n/a                                  | n/a                                  | n/a                                  |
| <b>Settlement Day</b>                        | Market day immediately following LTD |

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

| <b>CONTRACT<br/>(LIFFE UCP CODE)</b> | <b>CONTRACT MONTH</b>           | <b>MINIMUM VOLUME<br/>THRESHOLD LEVEL<br/>(LOTS)</b> |
|--------------------------------------|---------------------------------|--|
| SIM                                  | Outrights in all months         | 200  |
|                                      | Strategies involving all months | 200 each leg of strategy                             |
| BAS                                  | Outrights in all months         | 500  |
|                                      | Strategies involving all months | 500 each leg of strategy                             |
| FRB, OMV, RWE                        | Outrights in all months         | 1,000  |
|                                      | Strategies involving all months | 1,000 each leg of strategy                           |
| BLG                                  | Outrights in all months         | 1,500  |
|                                      | Strategies involving all months | 1,500 each leg of strategy                           |
| DIA, IBE, NOK, TAG                   | Outrights in all months         | 5,000  |
|                                      | Strategies involving all months | 5,000 each leg of strategy                           |