



NYSE LIFFE US NOTICE No. 4/2014

ISSUE DATE: January 29, 2014

EFFECTIVE DATE: January 29, 2014

Delisting of U.S. Treasury Futures

Summary

This Notice announces that the Exchange is delisting its U.S. Treasury Futures contracts.

1 U.S. Treasury Futures on NYSE Liffe US

- 1.1 NYSE Liffe US (the “Exchange”) currently offers the following U.S. Treasury Futures Contracts (collectively, “U.S. Treasury Futures”) for trading:

Contract	Symbol
Short-Term U.S. Treasury Note Futures (2-Year)	TU
Medium-Term U.S. Treasury Note Futures (5-Year)	FV
Long-Term U.S. Treasury Note Futures (6 ½ to 10-Year)	TY
U.S. Treasury Bond Futures	US
Ultra-Long U.S. Treasury Bond Futures	UB

2 Delisting of U.S. Treasury Futures on NYSE Liffe US

- 2.1 The Exchange has determined to delist the U.S. Treasury Futures as of the close of trading today, making them unavailable for trading as of the January 30, 2014 Trading Session.

3 Text of Rules

- 3.1 For convenience, the text of the deleted rules related to U.S. Treasury Futures is set forth in the attached Appendix.

Members who have questions or seek additional information in respect of this Notice should contact:

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APPENDIX TO NYSE LIFFE US NOTICE 4/2014

CHAPTER 101 **~~SHORT TERM U.S. TREASURY NOTE FUTURES (2-YEAR)~~¹**

10101. Scope of Chapter

~~—This chapter is limited in application to trading of Short Term U.S. Treasury Note futures. The procedures for trading, clearing, delivery, and settlement, and any other matters not specifically covered in this Chapter shall be governed by the Rules of the Exchange, the Rules of the Clearing Service Provider, and the Rules of the Fixed Income Clearing Corporation (FICC). All times referenced in this chapter are New York times and are subject to change by the Exchange.~~

10102. Contract Specifications

~~(a) Contract Grade~~

~~—The contract grade for delivery on futures made under these Rules shall be U.S. Treasury fixed principal notes which have fixed semi-annual coupon payments, and which have:~~

- ~~(i) an original term to maturity (i.e., term to maturity at issue) of not more than 5 years and 3 months; and~~
- ~~(ii) a remaining term to maturity of not more than 2 years and not less than 1 year 9 months~~

~~—For the purpose of determining a U.S. Treasury note's eligibility for contract grade, its remaining term to maturity shall be calculated from the first day of the Delivery Month and rounded down to the nearest one-month increment (e.g., 1 year 10 months 17 days shall be taken to be 1 year 10 months). New issues of U.S. Treasury notes that satisfy the standards in this Rule shall be added to the contract grade as they are issued. Notwithstanding the foregoing, the Exchange shall have the right to exclude any new issue from the contract grade or to further limit outstanding issues from the contract grade.~~

~~(b) Physical Delivery~~

~~—Each individual contract lot that is delivered must be composed of one and only one contract grade Treasury note issue. The long Clearing Member taking delivery on behalf of the short Clearing Member making delivery shall be~~

¹ Amendment adopting Chapter 101 effective March 11, 2011, pursuant to CFTC Rule 40.6 filing by NYSE Liffe US with the CFTC dated March 10, 2011. See Notice 5/2011.

obligated to pay an amount for the delivery of Treasury notes as follows:

$$\text{Amount} = (\$2000 \times P \times c) + \text{Accrued Interest}$$

where:

P is the contract daily settlement price on the day that the short Clearing Member gives the Clearing Service Provider notice of intention to deliver. (Note that for notices of intent filed on the day of and after the last trading day, *P* will be the final settlement price). *P* shall be expressed in points and fractions of points with par on the basis of 100 points; and

c is a conversion factor equal to the price at which a note with the same time to maturity and with the same coupon rate, and with par on the basis of one (1) point, will yield 6% per annum according to conversion factor tables prepared and published by the Exchange.

For each individual contract lot that is delivered, the product expression ($\$2000 \times P \times c$) shall be rounded to the nearest cent, with half cents rounded up to the nearest cent.

Example: Assume that *P* is 100 and 25/32nds. Assume that *c* is 0.9633. The product expression ($\$2000 \times P \times c$) is found to be \$194,165.15625 or \$194,165.16 when rounded. In the determination of the *Amount* for each individual contract lot being delivered, *Accrued Interest* shall be charged to the long Clearing Member taking delivery by the short Clearing Member making delivery, in accordance with 31 CFR Part 306 — General Regulations Governing U.S. Securities.

10103. Trading Specifications

— The number of contract Delivery Months open for trading at a given time shall be determined by the Exchange. Without limiting the foregoing, the Exchange customarily shall list for trading five consecutive Delivery Months in the March-June-September-December quarterly cycle. Effective the first trading day following the last trading day in a futures contract for any Delivery Month, the next eligible Delivery Month shall be automatically listed.

(a) Trading Schedule

— The hours for trading shall be determined by the Exchange. On the last day of trading in an expiring contract, the close of the expiring contract shall begin at 1:00 p.m. New York time and trading shall be permitted thereafter for a period not to exceed one minute.

(b) Trading Unit

~~———— The unit of trading shall be U.S. Treasury Notes having a face value at maturity of two hundred thousand dollars (\$200,000) or multiples thereof.~~

~~(c) **Price Increments**~~

~~———— Par shall be on the basis of 100 points, with each point equal to \$2,000 per contract. The minimum price fluctuation shall be one quarter of one thirty-second of one point (equal to \$15.625 per contract), including intermonth spreads.~~

~~(d) **Position Limits and Position Accountability**~~

~~———— In accordance with Rule 420, no person shall own or control positions in excess of 25,000 contracts in an expiring contract during the contract's last 10 trading days. No hedge exemptions will be permitted with respect to this position limit.~~

~~———— Position accountability, as defined in Rule 420, will apply to trading in Short Term U.S. Treasury Note Futures Contracts.~~

~~(e) **Termination of Trading**~~

~~The last day of trading in an expiring contract shall be the last Business Day of the contract's Delivery Month. Any contract remaining open after the last day of trading must be settled by physical delivery no later than the third Business Day after the last day of trading.~~

~~(f) **Contract Modifications**~~

~~———— Specifications shall be fixed as of the first day of trading and/or clearing of a contract except that all deliveries must conform to governmental regulations in force at the time of delivery. If any U.S. governmental agency or body issues an order, ruling, directive, regulation or law pertaining to the trading, clearing, or delivery of Short Term U.S. Treasury Notes, such order, ruling, directive, regulation or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government order, ruling, directive, regulation or law.~~

10104. Date of Delivery

~~———— Delivery of contract grade U.S. Treasury notes may be made by a short Clearing Member, on any Business Day of the contract delivery month that the short Clearing Member selects. The contract delivery month shall be derived so as to commence on, and to include, the first Business Day of the contract's Delivery Month, and to extend to, and to include, the first three Business Days of the following month.~~

10105. Deliveries on Expiring Futures Contracts

~~— Deliveries against expiring contracts shall be through the FICC Real Time Trade Matching system. Deliveries against an expiring contract can be made no earlier than the first Business Day of the contract's Delivery Month, and no later than the third Business Day of the following month. All deliveries will be assigned by the Clearing Service Provider.~~

(a) Day of Intention

~~— No later than 9:00 p.m. New York time on the second Business Day preceding the intended day of delivery, the short Clearing Member must tender to the Clearing Service Provider all notices of intention to make delivery such as it has received from its customers who are short. On the last Day of Intention, all short Clearing Members must tender a notice of intention by 9:00 p.m. New York time. If a notice of intention is not received, the Clearing Service Provider shall automatically generate a notice of intention on behalf of the short Clearing Member.~~

~~— Where a futures commission merchant, as a Clearing Member, has an interest both long and short for customers on its own books, it must tender all such notices of intention to deliver.~~

~~— All notices of intention to deliver will be assigned by the Clearing Service Provider to one or more appropriate long Clearing Members.~~

(b) Notice Day – Submission to FICC

~~(i) — In the case of deliveries to be made prior to the last permissible day of delivery, each short Clearing Member making delivery shall submit the CUSIP that it intends to deliver to the Clearing Service Provider by 3:00 p.m. New York time on the Business Day preceding the day of delivery (“Notice Day”). In the case of deliveries to be made on the last permissible day of delivery, the short Clearing Member shall submit such CUSIP to the Clearing Service Provider by 4:00 p.m. New York time on the last permissible Notice Day. In the event that a short Clearing Member has failed to nominate a security or securities by the deadline established above, the Exchange will nominate a security on behalf of the short Clearing Member. After the deadline for nominating the security or securities being delivered has passed, the Clearing Service Provider will assign such nominated security or securities to the long Clearing Member assigned in accordance with 10105(a).~~

~~(ii) — After the nominated security has been allocated as described in 10105(b)(i) above, the Clearing Service Provider will send such delivery positions to the FICC Real Time Trade Matching system. Upon acceptance by FICC, the delivery shall be treated as a cash U.S.~~

~~Treasury security transaction, subject to the Rules of FICC.~~

~~(c) **Day of Delivery**~~

~~On the day of delivery, the cash U.S. Treasury note transaction will be settled in accordance with the Rules of FICC. The last day of delivery will be the third Business Day after the contract's Delivery Month.~~

CHAPTER 102 IS RESERVED

CHAPTER 103
MEDIUM-TERM U.S. TREASURY NOTE FUTURES (5-YEAR)²

10301. Scope of Chapter

~~—This chapter is limited in application to trading of Medium-Term U.S. Treasury Note futures. The procedures for trading, clearing, delivery, and settlement, and any other matters not specifically covered in this Chapter shall be governed by the Rules of the Exchange, the Rules of the Clearing Service Provider, and the Rules of the Fixed Income Clearing Corporation (FICC). All times referenced in this chapter are New York times and are subject to change by the Exchange.~~

10302. Contract Specifications

~~(a) Contract Grade~~

~~—The contract grade for delivery on futures made under these Rules shall be U.S. Treasury fixed principal notes which have fixed semi-annual coupon payments, and which have:~~

- ~~(i) an original term to maturity (i.e., term to maturity at issue) of not more than 5 years and 3 months; and~~
- ~~(ii) a remaining term to maturity of not less than 4 years 2 months.~~

~~—For the purpose of determining a U.S. Treasury note's eligibility for contract grade, its remaining term to maturity shall be calculated from the first day of the contract's Delivery Month, and shall be rounded down to the nearest one-month increment (e.g., 4 years 5 months 17 days shall be taken to be 4 years 5 months). New issues of U.S. Treasury notes that satisfy the standards in this Rule shall be added to the contract grade as they are issued. Notwithstanding the foregoing, the Exchange shall have the right to exclude any new issue from the contract grade or to further limit outstanding issues from the contract grade.~~

~~(b) Physical Delivery~~

~~—Each individual contract lot that is delivered must be composed of one and only one contract grade Treasury note issue. The long Clearing Member taking delivery on behalf of the short Clearing Member making delivery shall be obligated to pay an amount for the delivery of Treasury notes as follows:~~

$$~~Amount = (\$1000 \times P \times c) + Accrued Interest~~$$

² Amendment adopting Chapter 103 effective March 11, 2011, pursuant to CFTC Rule 40.6 filing by NYSE Liffe US with the CFTC dated March 10, 2011. See Notice 5/2011.

where:

P is the contract daily settlement price on the day that the short Clearing Member gives the Clearing Service Provider notice of intention to deliver. (Note that for notices of intent filed on the day of and after the last trading day, P will be the final settlement price). P shall be expressed in points and fractions of points with par on the basis of 100 points; and

c is a conversion factor equal to the price at which a note with the same time to maturity and with the same coupon rate, and with par on the basis of one (1) point, will yield 6% per annum according to conversion factor tables prepared and published by the Exchange.

For each individual contract lot that is delivered, the product expression ($\$1000 \times P \times c$) shall be rounded to the nearest cent, with half-cents rounded up to the nearest cent.

Example: Assume that P is 100 and $25/32$ nds. Assume that c is 0.9633. The product expression ($\$1000 \times P \times c$) is found to be \$97,082.578125 or \$97,082.58 when rounded. In the determination of the *Amount* for each individual contract lot being delivered, *Accrued Interest* shall be charged to the long Clearing Member taking delivery by the short Clearing Member making delivery, in accordance with 31 CFR Part 306—General Regulations Governing U.S. Securities.

10303. Trading Specifications

—The number of contract Delivery Months open for trading at a given time shall be determined by the Exchange. Without limiting the foregoing, the Exchange customarily shall list for trading five consecutive Delivery Months in the March–June–September–December quarterly cycle. Effective the first trading day following the last trading day in a futures contract for any Delivery Month, the next eligible Delivery Month shall be automatically listed.

(a) Trading Schedule

—The hours for trading shall be determined by the Exchange. On the last day of trading in an expiring contract, the close of the expiring contract shall begin at 1:00 p.m New York time and trading shall be permitted thereafter for a period not to exceed one minute.

(b) Trading Unit

—The unit of trading shall be U.S. Treasury Notes having a face value at maturity of one hundred thousand dollars (\$100,000) or multiples thereof.

~~(c) Price Increments~~

~~———— Par shall be on the basis of 100 points, with each point equal to \$1,000 per contract. The minimum price fluctuation shall be one quarter of one thirty-second of one point (equal to \$7.8125 per contract), including intermonth spreads.~~

~~(d) Position Limits and Position Accountability~~

~~———— In accordance with Rule 420, no person shall own or control positions in excess of 45,000 contracts in an expiring contract during the contract's last 10 trading days. No hedge exemptions will be permitted with respect to this position limit.~~

~~———— Position accountability, as defined in Rule 420, will apply to trading in Medium Term U.S. Treasury Note Futures Contracts.~~

~~(e) Termination of Trading~~

~~The last day of trading in an expiring contract shall be the last Business Day of the contract's Delivery Month. Any contract remaining open after the last day of trading must be settled by physical delivery no later than the third Business Day after the last day of trading.~~

~~(f) Contract Modifications~~

~~———— Specifications shall be fixed as of the first day of trading and/or clearing of a contract except that all deliveries must conform to governmental regulations in force at the time of delivery. If any U.S. governmental agency or body issues an order, ruling, directive, regulation or law pertaining to the trading, clearing, or delivery of Medium Term U.S. Treasury Notes Futures, such order, ruling, directive, regulation or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government order, ruling, directive, regulation or law.~~

10304. Date of Delivery

~~———— Delivery of contract grade U.S. Treasury notes may be made by a short Clearing Member, on any Business Day of the contract delivery month that the short Clearing Member selects. The contract delivery month shall be derived so as to commence on, and to include, the first Business Day of the contract's Delivery Month, and to extend to, and to include, the first three Business Days of the following month.~~

10305. Deliveries on Expiring Futures Contracts

~~— Deliveries against expiring contracts shall be through the FICC Real Time Trade Matching system. Deliveries against an expiring contract can be made no earlier than the first Business Day of the contract's Delivery Month, and no later than the third Business Day of the following month. All deliveries will be assigned by the Clearing Service Provider.~~

(a) Day of Intention

~~— No later than 9:00 p.m. New York time on the second Business Day preceding the intended day of delivery, the short Clearing Member must tender to the Clearing Service Provider all notices of intention to make delivery such as it has received from its customers who are short. On the last Day of Intention, all short Clearing Members must tender a notice of intention by 9:00 p.m. New York time. If a notice of intention is not received, the Clearing Service Provider shall automatically generate a notice of intention on behalf of the short Clearing Member.~~

~~— Where a futures commission merchant, as a Clearing Member, has an interest both long and short for customers on its own books, it must tender all such notices of intention to deliver.~~

~~— All notices of intention to deliver will be assigned by the Clearing Service Provider to one or more appropriate long Clearing Members.~~

(b) Notice Day – Submission to FICC

~~(i) — In the case of deliveries to be made prior to the last permissible day of delivery, each short Clearing Member making delivery shall submit the CUSIP that it intends to deliver to the Clearing Service Provider by 3:00 p.m. New York time on the Business Day preceding the day of delivery (“Notice Day”). In the case of deliveries to be made on the last permissible day of delivery, the short Clearing Member shall submit such CUSIP to the Clearing Service Provider by 4:00 p.m. New York time on the last permissible Notice Day. In the event that a short Clearing Member has failed to nominate a security or securities by the deadline established above, the Exchange will nominate a security on behalf of the short Clearing Member. After the deadline for nominating the security or securities being delivered has passed, the Clearing Service Provider will assign such nominated security or securities to the long Clearing Member assigned in accordance with 10305(a).~~

~~(ii) — After the nominated security has been allocated as described in 10305(b)(i) above, the Clearing Service Provider will send such delivery positions to the FICC Real Time Trade Matching system.~~

~~Upon acceptance by FICC, the delivery shall be treated as a cash U.S. Treasury security transaction, subject to the Rules of FICC.~~

~~(e) **Day of Delivery**~~

~~On the day of delivery, the cash U.S. Treasury note transaction will be settled in accordance with the Rules of FICC.~~

~~CHAPTER 104 IS RESERVED~~

CHAPTER 105
LONG-TERM U.S. TREASURY NOTE FUTURES (6½ TO 10-YEAR)

10501. Scope of Chapter

~~————This chapter is limited in application to trading of Long-Term U.S. Treasury Note futures. The procedures for trading, clearing, delivery, and settlement, and any other matters not specifically covered in this Chapter shall be governed by the Rules of the Exchange, the Rules of the Clearing Service Provider, and the Rules of the Fixed Income Clearing Corporation (FICC). All times referenced in this chapter are New York times and are subject to change by the Exchange.~~

10502. Contract Specifications

~~(a) **Contract Grade**~~

~~————The contract grade for delivery on futures made under these Rules shall be U.S. Treasury fixed principal notes which have fixed semi-annual coupon payments, and which have an original term to maturity of not more than 10 years and have a remaining term to maturity of not less than 6 years 6 months.~~

~~————For the purpose of determining a U.S. Treasury note's eligibility for contract grade, its remaining term to maturity shall be calculated from the first day of the contract's Delivery Month, and shall be rounded down to the nearest three-month increment (e.g., 8 years 10 months 17 days shall be taken to be 8 years 9 months). New issues of U.S. Treasury notes that satisfy the standards in this Rule shall be added to the contract grade as they are issued. Notwithstanding the foregoing, the Exchange shall have the right to exclude any new issue from the contract grade or to further limit outstanding issues from the contract grade.~~

~~(b) **Physical Delivery**~~

~~————Each individual contract lot that is delivered must be composed of one and only one contract grade Treasury note issue. The long Clearing Member taking delivery on behalf of the short Clearing Member making delivery shall be obligated to pay an amount for the delivery of Treasury notes as follows:~~

$$\text{Amount} = (\$1000 \times P \times c) + \text{Accrued Interest}$$

~~where:~~

~~*P* is the contract daily settlement price on the day that the short Clearing Member gives the Clearing Service Provider notice of intention to deliver. (Note that for~~

notices of intent filed on the day of and after the last trading day, P will be the final settlement price). P shall be expressed in points and fractions of points with par on the basis of 100 points; and

c is a conversion factor equal to the price at which a note with the same time to maturity and with the same coupon rate, and with par on the basis of one (1) point, will yield 6% per annum according to conversion factor tables prepared and published by the Exchange.

For each individual contract lot that is delivered, the product expression ($\$1000 \times P \times c$) shall be rounded to the nearest cent, with half cents rounded up to the nearest cent.

Example: Assume that P is 100 and $25/32$ nds. Assume that c is 0.9633. The product expression ($\$1000 \times P \times c$) is found to be \$97,082.578125 or \$97,082.58 when rounded. In the determination of the *Amount* for each individual contract lot being delivered, *Accrued Interest* shall be charged to the long Clearing Member taking delivery by the short Clearing Member making delivery, in accordance with 31 CFR Part 306—General Regulations Governing U.S. Securities.

10503. Trading Specifications

— The number of contract Delivery Months open for trading at a given time shall be determined by the Exchange. Without limiting the foregoing, the Exchange customarily shall list for trading five consecutive Delivery Months in the March–June–September–December quarterly cycle. Effective the first trading day following the last trading day in a futures contract for any Delivery Month, the next eligible Delivery Month shall automatically be listed.

(a) Trading Schedule

— The hours for trading shall be determined by the Exchange. On the last day of trading in an expiring contract, the close of the expiring contract shall begin at 1:00 p.m. New York time and trading shall be permitted thereafter for a period not to exceed one minute.

(b) Trading Unit

— The unit of trading shall be U.S. Treasury Notes having a face value at maturity of one hundred thousand dollars (\$100,000) or multiples thereof.

(c) Price Increments

— Par shall be on the basis of 100 points, with each point equal to \$1,000 per contract. The minimum price fluctuation shall be one half of one thirty-second of one point (equal to \$15.625 per contract), except for intermonth

~~spreads for which the minimum price fluctuation shall be one quarter of one thirty-second of one point (equal to \$7.8125 per contract).~~

~~(d) **Position Limits and Position Accountability**~~

~~———— In accordance with Rule 420, no person shall own or control positions in excess of 60,000 contracts in an expiring contract during the contract's last 10 trading days. No hedge exemptions will be permitted with respect to this position limit.~~

~~———— Position accountability, as defined in Rule 420, will apply to trading in Long Term U.S. Treasury Futures Contracts.~~

~~(e) **Termination of Trading**~~

~~No trades in an expiring contract shall be made during the last 7 Business Days of the contract's Delivery Month. Any contract remaining open after the last day of trading must be settled by physical delivery no later than the last Business Day of the contract's Delivery Month.~~

~~(f) **Contract Modifications**~~

~~———— Specifications shall be fixed as of the first day of trading and/or clearing of a contract except that all deliveries must conform to governmental regulations in force at the time of delivery. If any U.S. governmental agency or body issues an order, ruling, directive, regulation or law pertaining to the trading, clearing, or delivery of Long Term U.S. Treasury Notes, such order, ruling, directive, regulation or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government order, ruling, directive, regulation or law.~~

10504. Date of Delivery

~~———— Delivery of contract grade U.S. Treasury notes may be made by a short Clearing Member, on any Business Day of the contract delivery month that the short Clearing Member selects. The contract delivery month shall be derived so as to commence on, and to include, the first Business Day of the contract's Delivery Month, and to extend to, and to include, the last Business Day of the contract's Delivery Month.~~

10505. Deliveries on Expiring Futures Contracts

~~———— Deliveries against expiring contracts shall be through the FICC Real Time Trade Matching system. Deliveries against an expiring contract can be made no earlier than the first Business Day of the contract's Delivery Month, and no later than the last Business Day of the contract's Delivery Month. All deliveries will be assigned by the Clearing Service Provider.~~

(a) ~~Day of Intention~~

~~———— No later than 9:00 p.m. New York time on the second Business Day preceding the intended day of delivery, the short Clearing Member must tender to the Clearing Service Provider all notices of intention to make delivery such as it has received from its customers who are short. On the last Day of Intention, all short Clearing Members must tender a notice of intention by 9:00 p.m. New York time. If a notice of intention is not received, the Clearing Service Provider shall automatically generate a notice of intention on behalf of the short Clearing Member.~~

~~———— Where a futures commission merchant, as a Clearing Member, has an interest both long and short for customers on its own books, it must tender all such notices of intention to deliver.~~

~~———— All notices of intention to deliver will be assigned by the Clearing Service Provider to one or more appropriate long Clearing Members.~~

(b) ~~Notice Day – Submission to FICC~~

~~(i) — In the case of deliveries to be made prior to the last permissible day of delivery, each short Clearing Member making delivery shall submit the CUSIP that it intends to deliver to the Clearing Service Provider by 3:00 p.m. New York time on the Business Day preceding the day of delivery (“Notice Day”). In the case of deliveries to be made on the last permissible day of delivery, the short Clearing Member shall submit such CUSIP to the Clearing Service Provider by 4:00 p.m. New York time on the last permissible Notice Day. In the event that a short Clearing Member has failed to nominate a security or securities by the deadline established above, the Exchange will nominate a security on behalf of the short Clearing Member. After the deadline for nominating the security or securities being delivered has passed, the Clearing Service Provider will assign such nominated security or securities to the long Clearing Member assigned in accordance with 10505(a).~~

~~(ii) — After the nominated security has been allocated as described in 10505(b)(i) above, the Clearing Service Provider will send such delivery positions to the FICC Real Time Trade Matching system. Upon acceptance by FICC, the delivery shall be treated as a cash U.S. Treasury security transaction, subject to the Rules of FICC.~~

(c) ~~Day of Delivery~~

~~———— On the day of delivery, the cash U.S. Treasury note transaction will be settled in accordance with the Rules of FICC.~~

~~CHAPTER 106 IS RESERVED~~

CHAPTER 107 U.S. TREASURY BOND FUTURES

10701. Scope of Chapter

~~—This chapter is limited in application to trading of U.S. Treasury Bond futures. The procedures for trading, clearing, delivery, and settlement, and any other matters not specifically covered in this Chapter shall be governed by the Rules of the Exchange, the Rules of the Clearing Service Provider, and the Rules of the Fixed Income Clearing Corporation (FICC). All times referenced in this chapter are New York times and are subject to change by the Exchange.~~

10702. Contract Specifications

(a) ~~Contract Grade~~

~~—The contract grade for delivery on futures made under these Rules shall be U.S. Treasury fixed principal bonds which have fixed semi-annual coupon payments, and which have:~~

~~(i) if not callable, have a remaining term to maturity of at least 15 years, but less than 25 years; and~~

~~(ii) if callable, the first call date is at least 15 years from the first day of the Delivery Month with a remaining term to maturity of less than 25 years.~~

~~—For the purpose of determining a U.S. Treasury bond's eligibility for contract grade, its remaining term to maturity shall be calculated from the first day of the contract's Delivery Month, and shall be rounded down to the nearest three month increment (e.g., 15 years 5 months 18 days shall be taken to be 15 years 3 months). New issues of U.S. Treasury bonds that satisfy the standards in this Rule shall be added to the contract grade as they are issued. Notwithstanding the foregoing, the Exchange shall have the right to exclude any new issue from the contract grade or to further limit outstanding issues from the contract grade.~~

(b) ~~Physical Delivery~~

~~—Each individual contract lot that is delivered must be composed of one and only one contract grade Treasury bond issue. The long Clearing Member taking delivery on behalf of the short Clearing Member making delivery shall be obligated to pay an amount for the delivery of Treasury bonds as follows:~~

~~*Amount* = $(\$1000 \times P \times c) + \text{Accrued Interest}$~~

where:

P is the contract daily settlement price on the day that the short Clearing Member gives the Clearing Service Provider notice of intention to deliver. (Note that for notices of intent filed on the day of and after the last trading day, P will be the final settlement price). P shall be expressed in points and fractions of points with par on the basis of 100 points; and

e is a conversion factor equal to the price at which a bond with the same time to maturity and with the same coupon rate, and with par on the basis of one (1) point, will yield 6% per annum according to conversion factor tables prepared and published by the Exchange.

For each individual contract lot that is delivered, the product expression ($\$1000 \times P \times e$) shall be rounded to the nearest cent, with half cents rounded up to the nearest cent.

Example: Assume that P is 100 and 25/32nds. Assume that e is 0.9633. The product expression ($\$1000 \times P \times e$) is found to be \$97,082.578125 or \$97,082.58 when rounded. In the determination of the *Amount* for each individual contract lot being delivered, *Accrued Interest* shall be charged to the long Clearing Member taking delivery by the short Clearing Member making delivery, in accordance with 31 CFR Part 306—General Regulations Governing U.S. Securities.

10703. Trading Specifications³

—The number of contract Delivery Months open for trading at a given time shall be determined by the Exchange. Without limiting the foregoing, the Exchange customarily shall list for trading three consecutive Delivery Months in the March–June–September–December quarterly cycle. Effective the first trading day following the last trading day in a futures contract for any Delivery Month, the next eligible Delivery Month shall automatically be listed.

(a) Trading Schedule

—The hours for trading shall be determined by the Exchange. On the last day of trading in an expiring contract, the close of the expiring contract shall begin at 1:00 p.m. New York time and trading shall be permitted thereafter for a period not to exceed one minute.

(b) Trading Unit

—The unit of trading shall be U.S. Treasury bonds having a face value at

³ Subsection (c) of Rule 10703 amended pursuant to CFTC Rule 40.6 filing by NYSE Liffe dated August 25, 2011 and effective September 26, 2011. See Notice 29/2011

maturity of one hundred thousand dollars (\$100,000) or multiples thereof.

(c) Price Increments

—— Par shall be on the basis of 100 points, with each point equal to \$1,000 per contract. The minimum price fluctuation shall be one half of one thirty-second of one point (equal to \$15.625 per contract), except for intermonth spreads for which the minimum price fluctuation shall be one quarter of one thirty second of one point (equal to \$7.8125 per contract).

(d) Position Limits and Position Accountability

—— In accordance with Rule 420, no person shall own or control positions in excess of 25,000 contracts in an expiring contract during the contract's last 10 trading days. No hedge exemptions will be permitted with respect to this position limit.

—— Position accountability, as defined in Rule 420, will apply to trading in U.S. Treasury Bond Futures Contracts.

(e) Termination of Trading

No trades in an expiring contract shall be made during the last 7 Business Days of the contract's Delivery Month. Any contract remaining open after the last day of trading must be settled by physical delivery no later than the last Business Day of the contract's Delivery Month.

(f) Contract Modifications

—— Specifications shall be fixed as of the first day of trading and/or clearing of a contract except that all deliveries must conform to governmental regulations in force at the time of delivery. If any U.S. governmental agency or body issues an order, ruling, directive, regulation or law pertaining to the trading, clearing, or delivery of U.S. Treasury Bonds, such order, ruling, directive, regulation or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government order, ruling, directive, regulation or law.

10704. Date of Delivery

—— Delivery of contract grade U.S. Treasury bonds may be made by a short Clearing Member, on any Business Day of the contract delivery month that the short Clearing Member selects. The contract delivery month shall be derived so as to commence on, and to include, the first Business Day of the contract's Delivery Month, and to extend to, and to include, the last Business Day of the contract's Delivery Month.

10705. Deliveries on Expiring Futures Contracts

~~— Deliveries against expiring contracts shall be through the FICC Real Time Trade Matching system. Deliveries against an expiring contract can be made no earlier than the first Business Day of the contract's Delivery Month, and no later than the last Business Day of the contract's Delivery Month. All deliveries will be assigned by the Clearing Service Provider.~~

(a) Day of Intention

~~— No later than 9:00 p.m. New York time on the second Business Day preceding the intended day of delivery, the short Clearing Member must tender to the Clearing Service Provider all notices of intention to make delivery such as it has received from its customers who are short. On the last Day of Intention, all short Clearing Members must tender a notice of intention by 9:00 p.m. New York time. If a notice of intention is not received, the Clearing Service Provider shall automatically generate a notice of intention on behalf of the short Clearing Member.~~

~~— Where a futures commission merchant, as a Clearing Member, has an interest both long and short for customers on its own books, it must tender all such notices of intention to deliver.~~

~~— All notices of intention to deliver will be assigned by the Clearing Service Provider to one or more appropriate long Clearing Members.~~

(b) Notice Day – Submission to FICC

~~(i) In the case of deliveries to be made prior to the last permissible day of delivery, each short Clearing Member making delivery shall submit the CUSIP that it intends to deliver to the Clearing Service Provider by 3:00 p.m. New York time on the Business Day preceding the day of delivery (“Notice Day”). In the case of deliveries to be made on the last permissible day of delivery, the short Clearing Member shall submit such CUSIP to the Clearing Service Provider by 4:00 p.m. New York time on the last permissible Notice Day. In the event that a short Clearing Member has failed to nominate a security or securities by the deadline established above, the Exchange will nominate a security on behalf of the short Clearing Member. After the deadline for nominating the security or securities being delivered has passed, the Clearing Service Provider will assign such nominated security or securities to the long Clearing Member assigned in accordance with 10705(a).~~

~~(ii) After the nominated security has been allocated as described in 10705(b)(i) above, the Clearing Service Provider will send such delivery positions to the FICC Real Time Trade Matching system. Upon acceptance by FICC, the~~

~~delivery shall be treated as a cash U.S. Treasury security transaction, subject to the Rules of FICC.~~

(c) **~~Day of Delivery~~**

~~On the day of delivery, the cash U.S. Treasury bond transaction will be settled in accordance with the Rules of FICC.~~

~~CHAPTER 108 IS RESERVED~~

CHAPTER 109
ULTRA-LONG U.S. TREASURY BOND FUTURES⁴

10901. Scope of Chapter

~~—This chapter is limited in application to trading of Ultra-Long U.S. Treasury Bond futures. The procedures for trading, clearing, delivery, and settlement, and any other matters not specifically covered in this Chapter shall be governed by the Rules of the Exchange, the Rules of the Clearing Service Provider, and the Rules of the Fixed Income Clearing Corporation (FICC). All times referenced in this chapter are New York times and are subject to change by the Exchange.~~

10902. Contract Specifications

(a) — Contract Grade

~~—The contract grade for delivery on futures made under these Rules shall be U.S. Treasury fixed principal bonds which have fixed semi-annual coupon payments, and which have a remaining term to maturity of at least 25 years.~~

~~—For the purpose of determining a U.S. Treasury bond's eligibility for contract grade, its remaining term to maturity shall be calculated from the first day of the contract's Delivery Month, and shall be rounded down to the nearest three-month increment (e.g., 15 years 5 months 18 days shall be taken to be 15 years 3 months). New issues of U.S. Treasury bonds that satisfy the standards in this Rule shall be added to the contract grade as they are issued. Notwithstanding the foregoing, the Exchange shall have the right to exclude any new issue from the contract grade or to further limit outstanding issues from the contract grade.~~

(b) Physical Delivery

~~—Each individual contract lot that is delivered must be composed of one and only one contract grade Treasury bond issue. The long Clearing Member taking delivery on behalf of the short Clearing Member making delivery shall be obligated to pay an amount for the delivery of Treasury bonds as follows:~~

$$\text{Amount} = (\$1000 \times P \times c) + \text{Accrued Interest}$$

~~where:~~

~~*P* is the contract daily settlement price on the day that the short Clearing Member~~

⁴ Amendment adopting Chapter 109 effective March 11, 2011, pursuant to CFTC Rule 40.6 filing by NYSE Liffe US with the CFTC dated March 10, 2011. See Notice 5/2011.

~~gives the Clearing Service Provider notice of intention to deliver. (Note that for notices of intent filed on the day of and after the last trading day, P will be the final settlement price). P shall be expressed in points and fractions of points with par on the basis of 100 points; and~~

~~e is a conversion factor equal to the price at which a bond with the same time to maturity and with the same coupon rate, and with par on the basis of one (1) point, will yield 6% per annum according to conversion factor tables prepared and published by the Exchange.~~

~~For each individual contract lot that is delivered, the product expression ($\$1000 \times P \times c$) shall be rounded to the nearest cent, with half-cents rounded up to the nearest cent.~~

~~Example: Assume that P is 100 and $25/32$ nds. Assume that e is 0.9633. The product expression ($\$1000 \times P \times c$) is found to be $\$97,082.578125$ or $\$97,082.58$ when rounded. In the determination of the *Amount* for each individual contract lot being delivered, *Accrued Interest* shall be charged to the long Clearing Member taking delivery by the short Clearing Member making delivery, in accordance with 31 CFR Part 306—General Regulations Governing U.S. Securities.~~

10903. Trading Specifications

~~—The number of contract Delivery Months open for trading at a given time shall be determined by the Exchange. Without limiting the foregoing, the Exchange customarily shall list for trading three consecutive Delivery Months in the March-June-September-December quarterly cycle. Effective the first trading day following the last trading day in a futures contract for any Delivery Month, the next eligible Delivery Month shall automatically be listed.~~

(a) Trading Schedule

~~—The hours for trading shall be determined by the Exchange. On the last day of trading in an expiring contract, the close of the expiring contract shall begin at 1:00 p.m New York time and trading shall be permitted thereafter for a period not to exceed one minute.~~

(b) Trading Unit

~~—The unit of trading shall be U.S. Treasury bonds having a face value at maturity of one hundred thousand dollars ($\$100,000$) or multiples thereof.~~

(c) Price Increments

~~—Par shall be on the basis of 100 points, with each point equal to $\$1,000$ per contract. The minimum price fluctuation shall be one thirty-second of one~~

point (equal to \$31.25 per contract), except for intermonth spreads for which the minimum price fluctuation shall be one quarter of one thirty second of one point (equal to \$7.8125 per contract).

(d) ~~Position Limits and Position Accountability~~

~~———— In accordance with Rule 420, no person shall own or control positions in excess of 20,000 contracts in an expiring contract during the contract's last 10 trading days. No hedge exemptions will be permitted with respect to this position limit.~~

~~———— Position accountability, as defined in Rule 420, will apply to trading in U.S. Treasury Bond Futures Contracts.~~

(e) ~~Termination of Trading~~

~~No trades in an expiring contract shall be made during the last 7 Business Days of the contract's Delivery Month. Any contract remaining open after the last day of trading must be settled by physical delivery no later than the last Business Day of the contract's Delivery Month.~~

(f) ~~Contract Modifications~~

~~———— Specifications shall be fixed as of the first day of trading and/or clearing of a contract except that all deliveries must conform to governmental regulations in force at the time of delivery. If any U.S. governmental agency or body issues an order, ruling, directive, regulation or law pertaining to the trading, clearing, or delivery of U.S. Treasury Bonds, such order, ruling, directive, regulation or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government order, ruling, directive, regulation or law.~~

10904. ~~Date of Delivery~~

~~———— Delivery of contract grade U.S. Treasury bonds may be made by a short Clearing Member, on any Business Day of the contract delivery month that the short Clearing Member selects. The contract delivery month shall be derived so as to commence on, and to include, the first Business Day of the contract's Delivery Month, and to extend to, and to include, the last Business Day of the contract's Delivery Month.~~

10905. ~~Deliveries on Expiring Futures Contracts~~

~~———— Deliveries against expiring contracts shall be through the FICC Real Time Trade Matching system. Deliveries against an expiring contract can be made no earlier than the first Business Day of the contract's Delivery Month, and no later than the last Business Day of the contract's Delivery Month. All deliveries will be~~

assigned by the Clearing Service Provider.

(b) Day of Intention

~~———— No later than 9:00 p.m. New York time on the second Business Day preceding the intended day of delivery, the short Clearing Member must tender to the Clearing Service Provider all notices of intention to make delivery such as it has received from its customers who are short. On the last Day of Intention, all short Clearing Members must tender a notice of intention by 9:00 p.m. New York time. If a notice of intention is not received, the Clearing Service Provider shall automatically generate a notice of intention on behalf of the short Clearing Member.~~

~~———— Where a futures commission merchant, as a Clearing Member, has an interest both long and short for customers on its own books, it must tender all such notices of intention to deliver.~~

~~———— All notices of intention to deliver will be assigned by the Clearing Service Provider to one or more appropriate long Clearing Members.~~

(c) Notice Day—Submission to FICC

~~(i) In the case of deliveries to be made prior to the last permissible day of delivery, each short Clearing Member making delivery shall submit the CUSIP that it intends to deliver to the Clearing Service Provider by 3:00 p.m. New York time on the Business Day preceding the day of delivery (“Notice Day”). In the case of deliveries to be made on the last permissible day of delivery, the short Clearing Member shall submit such CUSIP to the Clearing Service Provider by 4:00 p.m. New York time on the last permissible Notice Day. In the event that a short Clearing Member has failed to nominate a security or securities by the deadline established above, the Exchange will nominate a security on behalf of the short Clearing Member. After the deadline for nominating the security or securities being delivered has passed, the Clearing Service Provider will assign such nominated security or securities to the long Clearing Member assigned in accordance with 10905(a).~~

~~(ii) After the nominated security has been allocated as described in 10905(b)(i) above, the Clearing Service Provider will send such delivery positions to the FICC Real Time Trade Matching system. Upon acceptance by FICC, the delivery shall be treated as a cash U.S. Treasury security transaction, subject to the Rules of FICC.~~

(d) **Day of Delivery**

~~On the day of delivery, the cash U.S. Treasury bond transaction will be settled in accordance with the Rules of FICC.~~

