



NYSE LIFFE US NOTICE No. 10/2014

ISSUE DATE: April 15, 2014
EFFECTIVE DATE: June 2, 2014

Change in Minimum Price Fluctuation in Certain Delivery Months in Eurodollar Futures and Futures on DTCC GCF Repo Index® Products.

Summary

This Notice announces the change in minimum price fluctuation in Eurodollar Futures and Futures on DTCC GCF Repo Index® Products listed on NYSE Liffe U.S. This change is being made as part of the preparation for the transition of the contracts to ICE Futures Europe, planned for June, 2014. In addition, attached to this notice are the revised Rules 12103, 13003, 13103 and 13203.

1. Introduction

- 1.1 NYSE Liffe U.S. Notice 05/2011 announced the listing of Interest Rate Futures on NYSE Liffe U.S. This notice included Rule Chapters associated with the listing and trading of Eurodollar Futures.
- 1.2 NYSE Liffe U.S. Notice 18/2012 announced the listing of Futures on DTCC GCF Repo Index® Products (“GCF Repo Futures”). This notice included Rule Chapters associated with the listing and trading of GCF Repo Futures.
- 1.3 NYSE Liffe U.S. Notice 04/2014 announced the delisting of U.S. Treasury Futures.

2. Change in tick size in Eurodollar Futures and GCF Repo Futures

- 2.1 It is anticipated that from trade date June 9, 2014, Eurodollar Futures and GCF Repo Futures will no longer be made available for trading on NYSE Liffe US, clearing at New York Portfolio Clearing. Existing Open Interest as of trade date June 6, 2014 will be transferred to ICE Clear Europe for trade date June 9, 2014. Firms wishing to transact in these contracts from June 9 will be able to trade these contracts on ICE Futures Europe, Recognised Investment Exchange in the United Kingdom.
- 2.2 Currently, only the nearest Delivery Month in Eurodollar futures has a minimum price fluctuation of one-quarter of one basis point increments. All other Delivery months in Eurodollar futures trade in a minimum of one-half of one basis point increments.
- 2.3 From the date when Eurodollar Futures are listed on ICE Futures Europe, the contracts will be traded in one-quarter of one basis point tick increments in all Delivery Months.

- 2.4 In anticipation of the migration of Eurodollar futures from NYSE Liffe U.S. to ICE Futures Europe, from Trade Date June 2, 2014 all expirations in Eurodollar Futures will have a minimum tick increment of one-quarter of one basis point. This corresponds to a minimum tick size value of \$6.25 per contract.
- 2.5 Currently, in GCF Repo Futures, only the nearest Delivery Month has a minimum price fluctuation of one quarter of one basis point increments. All other Delivery Months trade in a minimum of one-half of one basis point increments.
- 2.6 From the date when GCF Repo Futures are listed on ICE Futures Europe, the contracts will be traded in a minimum of one-half of one basis point tick increments in all expiration months.
- 2.7 In anticipation of the migration of GCF Repo Futures to ICE Futures Europe, from Trade Date June 2, 2014 all expirations in GCF Repo Futures will have a minimum tick increment of one-half of one basis point. This corresponds to a minimum tick size value of \$20.853 per contract.
- 2.8 Amendments to the NYSE Liffe U.S. Rule chapters resulting from the tick size changes are attached to this Notice.

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

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CHAPTER 121
THREE-MONTH EURODOLLAR FUTURES

12101. Scope of Chapter

[No changes]

12102. Contract Specifications

[No changes]

12103. 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 consecutive Delivery Months in the March-June-September-December quarterly cycle extending out five years and one additional quarterly expiration and will also list the two nearest serial Delivery Months. 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

Futures contracts shall be scheduled for trading during such hours and expiration in such months as may be determined by the Exchange.

(b) Trading Unit

The size of the unit of trading shall be Eurodollar Interbank Time Deposits in the amount of \$1,000,000.

(c) Price Increments

Bids and offers shall be quoted in Three-Month LIBOR index points or 100 minus the three-month Eurodollar Interbank Time Deposit rate over a 360-day year. (For example, a rate of 2.5 percent shall be quoted as 97.50.)

i. For ~~the nearest~~ all Delivery Months, the minimum price fluctuation shall be one-quarter of one basis point (.0025), equal to \$6.25 per contract.

ii. ~~For all Delivery Months excluding the nearest Delivery Month, the minimum price fluctuation shall be one-half of one basis point (.005), equal to \$12.50 per contract.~~

(d) Position Accountability

Position accountability, as defined in Rule 420, will apply to trading in Eurodollar Futures Contracts.

(e) Termination of Trading

Futures trading shall terminate at 11:00 a.m. London Time on the second London bank business day immediately preceding the third Wednesday 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 Expiration. If any U.S. governmental agency or body issues an order, ruling, directive or law pertaining to the trading, clearing, or delivery of Eurodollars, such order, ruling, directive 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 orders.

12104. Settlement Procedures

[No Changes]

CHAPTER 130

FUTURES ON THE US TREASURY DTCC GCF REPO INDEX®¹

13001. Scope of Chapter

This chapter is limited in application to trading of Futures on the US Treasury DTCC GCF Repo Index®. The procedures for trading, clearing, expiration and settlement, and any other matters not specifically covered in this Chapter shall be governed by the Rules of the Exchange and the Clearing Services Provider.

13002. Contract Specifications

- (a) The contract grade shall be 100 minus the average daily US Treasury GCF Repo Index® rate for the delivery month. The average daily US Treasury GCF Repo Index® rate is a simple average of the US Treasury GCF Repo Index® rounded to the nearest tenth of a basis point and rounded up in the case of a tie. For days for which the US Treasury GCF Repo Index® is not computed (e.g., Saturdays, Sundays and legal holidays) the rate shall be the rate determined on the last business day for which a rate was determined.
- (b) The US Treasury GCF Repo Index® is subject to change by DTCC.
- (c) The terms and conditions of the Futures specified in this Chapter are deemed to include any relevant governmental, regulatory or court decree or order as recognized by the Exchange in a Notice to Members.

13003. Trading Specifications

The number of contract Delivery Months open for trading at a given time shall be determined by the Exchange.

(a) Trading Schedule

The hours of trading for Futures on the US Treasury DTCC GCF Repo Index® shall be determined by the Exchange. On the last day of trading in an expiring Futures, the expiring Futures shall close at 3:00 pm Eastern Time.

(b) Trading Unit

Interest on a US Treasury DTCC GCF Repo having a face value of \$5,000,000 for one month calculated on a 30-day basis at a rate equal to the average US Treasury DTCC GCF Repo Index® rate for the Delivery Month.

(c) Price Increments

¹ Amendment adding Chapter 130, effective July 15, 2012, pursuant to CFTC Rule 40.6 NYSE Liffe US filing with CFTC dated June 22, 2012. See Notice 18/2012.

Bids and offers shall be quoted as 100 minus the average daily US Treasury DTCC GCF Repo Index® rate. (For example, a rate of 2.5 percent shall be quoted as 97.50.)

i. ~~For the nearest Delivery Month, the minimum price fluctuation shall be one-quarter of one basis point (.0025), equal to \$10.4175 per contract (1/4 of ¹/₁₀₀ of one percent of \$5,000,000 on a 30-day basis, rounded up to the nearest cent per contract).~~

ii. For all Delivery Months ~~excluding the nearest Delivery Month~~, the minimum price fluctuation shall be one-half of one basis point (.005), equal to \$20.835 per contract (1/2 of ¹/₁₀₀ of one percent of \$5,000,000 on a 30-day basis, rounded up to the nearest cent per contract).

(d) Position Accountability

Position accountability, as defined in Rule 420, will apply to trading in Futures on the US Treasury DTCC GCF Repo Index®.

(e) Termination of Trading

The last day of trading shall be the last business day of the Delivery Month. After trading in Futures in the current Delivery Month has ceased, outstanding Futures for such delivery shall be liquidated by cash settlement as prescribed in Rule 12104.

13004. Settlement Procedures

Delivery shall be by cash settlement through the Clearing Service Provider following normal variation margin procedures. The final settlement price will be calculated on the Business Day that the US Treasury GCF Repo Index® is calculated on the Last Day of Trading. The final settlement price shall be 100 minus the average US Treasury GCF Repo Index® rate for the Delivery Month as set forth in 12102(a), rounded to the nearest one-tenth (¹/₁₀) of one basis point.

13005. Strip Transactions

A strip transaction in Futures on the US Treasury DTCC GCF Repo Index® involving the simultaneous purchase or sale of an equal amount of futures contract months at a differential to the previous settlement prices is permitted subject to the general rules of the Exchange regarding spread trading.

CHAPTER 131
FUTURES ON THE US MORTGAGE-BACKED SECURITIES DTCC GCF REPO
INDEX®²

13101. Scope of Chapter

This chapter is limited in application to trading of Futures on the US Mortgage-Backed Securities DTCC GCF Repo Index®. The procedures for trading, clearing, expiration and settlement, and any other matters not specifically covered in this Chapter shall be governed by the Rules of the Exchange and the Clearing Services Provider.

13102. Contract Specifications

- (a) The contract grade shall be 100 minus the average daily US Mortgage-Backed Securities GCF Repo Index rate for the delivery month. The average daily US Mortgage-Backed Securities GCF Repo Index® rate is a simple average of the US Mortgage-Backed Securities GCF Repo Index® rounded to the nearest tenth of a basis point and rounded up in the case of a tie. For days for which the US Mortgage-Backed Securities GCF Repo Index® is not computed (e.g., Saturdays, Sundays and legal holidays) the rate shall be the rate determined on the last business day for which a rate was determined.
- (b) The US Mortgage-Backed Securities GCF Repo Index® is subject to change by DTCC.
- (c) The terms and conditions of the Futures specified in this Chapter are deemed to include any relevant governmental, regulatory or court decree or order as recognized by the Exchange in a Notice to Members.

13103. Trading Specifications

The number of contract Delivery Months open for trading at a given time shall be determined by the Exchange.

(a) **Trading Schedule**

The hours of trading for Futures on the US Mortgage-Backed Securities DTCC GCF Repo Index® shall be determined by the Exchange. On the last day of trading in an expiring Futures, the expiring Futures shall close at 3:00 pm Eastern Time.

(b) **Trading Unit**

Interest on a US Mortgage-Backed Securities DTCC GCF Repo having a face value of \$5,000,000 for one month calculated on a 30-day basis at a rate equal to the average US Mortgage-Backed Securities DTCC

² Amendment adding Chapter 131, effective July 15, 2012, pursuant to CFTC Rule 40.6 NYSE Liffe US filing with CFTC dated June 22, 2012. See Notice 18/2012.

GCF Repo Index® rate for the Delivery Month.

(c) Price Increments

Bids and offers shall be quoted as 100 minus the average daily US Mortgage-Backed Securities DTCC GCF Repo Index® rate. (For example, a rate of 2.5 percent shall be quoted as 97.50.)

~~i. For the nearest Delivery Month, the minimum price fluctuation shall be one quarter of one basis point (.0025), equal to \$10.4175 per contract (1/4 of 1/100 of one percent of \$5,000,000 on a 30-day basis, rounded up to the nearest cent per contract).~~

ii. For all Delivery Months ~~excluding the nearest Delivery Month~~, the minimum price fluctuation shall be one-half of one basis point (.005), equal to \$20.835 per contract (1/2 of 1/100 of one percent of \$5,000,000 on a 30-day basis, rounded up to the nearest cent per contract).

(d) Position Accountability

Position accountability, as defined in Rule 420, will apply to trading in Futures on the US Mortgage-Backed Securities DTCC GCF Repo Index®.

(e) Termination of Trading

The last day of trading shall be the last business day of the Delivery Month. After trading in Futures in the current Delivery Month has ceased, outstanding Futures for such delivery shall be liquidated by cash settlement as prescribed in Rule 13104.

13104. Settlement Procedures

Delivery shall be by cash settlement through the Clearing Service Provider following normal variation margin procedures. The final settlement price will be calculated on the Business Day that the US Mortgage-Backed Securities GCF Repo Index® is calculated on the Last Day of Trading. The final settlement price shall be 100 minus the average US Mortgage-Backed Securities GCF Repo Index® rate for the Delivery Month as set forth in 13102(a), rounded to the nearest one-tenth ($1/10$) of one basis point.

13105. Strip Transactions

A strip transaction in Futures on the US Mortgage-Backed Securities DTCC GCF Repo Index® involving the simultaneous purchase or sale of an equal amount of futures contract months at a differential to the previous settlement prices is permitted subject to the general rules of the Exchange regarding spread trading.

CHAPTER 132

FUTURES ON THE US AGENCY DTCC GCF REPO INDEX®³

13201. Scope of Chapter

This chapter is limited in application to trading of Futures on the US Agency DTCC GCF Repo Index®. The procedures for trading, clearing, expiration and settlement, and any other matters not specifically covered in this Chapter shall be governed by the Rules of the Exchange and the Clearing Services Provider.

13202. Contract Specifications

- (a) The contract grade shall be 100 minus the average daily US Agency GCF Repo Index rate for the delivery month. The average daily US Agency GCF Repo Index® rate is a simple average of the US Agency GCF Repo Index® rounded to the nearest tenth of a basis point and rounded up in the case of a tie. For days for which the US Agency GCF Repo Index® is not computed (e.g., Saturdays, Sundays and legal holidays) the rate shall be the rate determined on the last business day for which a rate was determined.
- (b) The US Agency GCF Repo Index® is subject to change by DTCC.
- (c) The terms and conditions of the Futures specified in this Chapter are deemed to include any relevant governmental, regulatory or court decree or order as recognized by the Exchange in a Notice to Members.

13203. Trading Specifications

The number of contract Delivery Months open for trading at a given time shall be determined by the Exchange.

(a) Trading Schedule

The hours of trading for Futures on the US Agency DTCC GCF Repo Index® shall be determined by the Exchange. On the last day of trading in an expiring Futures, the expiring Futures shall close at 3:00 pm Eastern Time.

(b) Trading Unit

Interest on a US Agency DTCC GCF Repo having a face value of \$5,000,000 for one month calculated on a 30-day basis at a rate equal to the average US Agency DTCC GCF Repo Index® rate for the Delivery Month.

(c) Price Increments

³ Amendment adding Chapter 132, effective July 15, 2012, pursuant to CFTC Rule 40.6 NYSE Liffe US filing with CFTC dated June 22, 2012. See Notice 18/2012.

Bids and offers shall be quoted as 100 minus the average daily US Agency DTCC GCF Repo Index® rate. (For example, a rate of 2.5 percent shall be quoted as 97.50.)

i. ~~For the nearest Delivery Month, the minimum price fluctuation shall be one-quarter of one basis point (.0025), equal to \$10.4175 per contract (1/4 of ¹/₁₀₀ of one percent of \$5,000,000 on a 30-day basis, rounded up to the nearest cent per contract).~~

ii. For all Delivery Months ~~excluding the nearest Delivery Month~~, the minimum price fluctuation shall be one-half of one basis point (.005), equal to \$20.835 per contract (1/2 of ¹/₁₀₀ of one percent of \$5,000,000 on a 30-day basis, rounded up to the nearest cent per contract).

(d) Position Accountability

Position accountability, as defined in Rule 420, will apply to trading in Futures on the US Agency DTCC GCF Repo Index®.

(e) Termination of Trading

The last day of trading shall be the last business day of the Delivery Month. After trading in Futures in the current Delivery Month has ceased, outstanding Futures for such delivery shall be liquidated by cash settlement as prescribed in Rule 13204.

13204. Settlement Procedures

Delivery shall be by cash settlement through the Clearing Service Provider following normal variation margin procedures. The final settlement price will be calculated on the Business Day that the US Agency GCF Repo Index® is calculated on the Last Day of Trading. The final settlement price shall be 100 minus the average US Agency GCF Repo Index® rate for the Delivery Month as set forth in 13202(a), rounded to the nearest one-tenth (¹/₁₀) of one basis point.

13205. Strip Transactions

A strip transaction in Futures on the US Agency DTCC GCF Repo Index® involving the simultaneous purchase or sale of an equal amount of futures contract months at a differential to the previous settlement prices is permitted subject to the general rules of the Exchange regarding spread trading.