

LONDON NOTICE No. 3109

ISSUE DATE: 23 December 2008
EFFECTIVE DATE: 2 January 2009

SHORT TERM INTEREST RATE FUTURES CONTRACTS

LIQUIDITY PROGRAMME FOR PROPRIETARY TRADERS BASED IN THE UNITED STATES

Executive Summary

This Notice advises Members of the extension of the liquidity program in respect of Short Term Interest Rate ("STIR") Futures Contracts for eligible proprietary traders based in the United States. The extended programme will be effective from 2 January 2009 to 31 March 2009.

1. Introduction

- 1.1 London Notice No. 2975, issued on 12 December 2007, informed Members of the extension of, and revision to, the U.S. STIR Liquidity Programme ("USLP") which is designed to provide benefits to U.S.-based proprietary traders of Liffe's STIR Futures Contracts.
- 1.2 This Notice informs Members that the USLP will be extended, on the same terms and conditions, and will operate **from 2 January 2009 to 31 March 2009 inclusive**. The terms and conditions of the USLP are explained in Sections 2 and 3 of this Notice.

2. USLP Outline

- 2.1 With effect from 2 January 2009, and subject to the terms and conditions summarised in this Notice, the USLP provides registered U.S.-based proprietary traders who transact a minimum of 5,000 lots of Qualifying Business (see paragraph 3.2 below) during a calendar month with 100% Exchange transaction fee rebates on the next 20,000 lots of Qualifying Business transacted during that same month.
- 2.2 U.S. proprietary traders who are registered with the Exchange for the current USLP will be deemed to be registered for the extension of the USLP in effect from 2 January 2009.
- 2.3 Individuals registered in the USLP may not be registered in the Individual Liquidity Provider ("ILP") Scheme and/or the Short Term Interest Rate ("STIR") Liquidity Provider ("SLP") Scheme in respect of the Euribor, Euroswiss, Eurodollar or Short Sterling Futures Contracts.

Web site: www.nyx.com/liffe

The **Euronext Derivatives Markets ("Liffe")** comprise the markets for derivatives operated by Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euronext Paris and LIFFE Administration and Management, referred to respectively as the Amsterdam, Brussels, Lisbon, Paris and London markets. Euronext is part of the NYSE Euronext group.

3. All Other Terms and Conditions

- 3.1 Exchange transaction fee rebates will only be available in respect of Qualifying Business transacted by U.S. proprietary traders who are registered by the Exchange in the USLP.
- 3.2 Qualifying Business is business which satisfies the following criteria:
- (a) is executed in the Euribor Futures Contract, Short Sterling Futures Contract, Eurodollar Futures Contract and Euroswiss Futures Contract;
 - (b) is transacted by a person registered by the Exchange in the USLP;
 - (c) is proprietary business of the person registered by the Exchange in the USLP and not client business; and
 - (d) is transacted and not market assigned volume.
- 3.3 To be eligible to participate in the USLP, traders must be U.S. domiciled proprietary traders:
- (a) who are registered with the CFTC as floor traders or floor brokers and whose principal activities include trading futures on a discretionary basis for their own account; or
 - (b) whose principal activity is trading futures on a discretionary basis for their own account; or
 - (c) who are trading for the account of a U.S. entity whose principal activity is trading futures on a discretionary basis, such as proprietary trading groups, trading arcades and other institutional trading entities deemed eligible by the Exchange at its absolute discretion.
- 3.4 Individuals registered in the USLP will be permitted to terminate their USLP registration in order to transfer into the SLP Scheme, but they will not subsequently be permitted to transfer back into the USLP in 2009.
- 3.5 Exchange transaction fee rebates for all Qualifying Business transacted by a registered USLP trader in excess of 5,000 lots and up to 25,000 lots per calendar month (i.e. a maximum of 20,000 lots) will be made one month in arrears. Exchange transaction fees at the headline rate for the relevant contract (e.g. 25 pence per side per lot) will be levied on the first 5,000 lots of Qualifying Business and for all Qualifying Business in excess of 25,000 lots per month transacted by a USLP trader and no rebate shall be made in respect of such business. LCH.Clearnet clearing fees of 3 pence per side per lot will be applied to all Qualifying Business transacted by USLP traders.
- 3.6 Members may register eligible U.S.-based proprietary traders at any time throughout the duration of the USLP, up to and including the penultimate month of the Programme. To benefit from the 100% rebate of Exchange transaction fees in a particular calendar month, eligible U.S. proprietary traders must be registered with the Exchange in the USLP prior to the start of that calendar month.
- 3.7 Members wishing to register individual U.S. proprietary traders in the USLP should request a copy of the formal Terms and Conditions in respect of the Programme and an

application form from Nancy Kaplan or Colleen Herbert. The Exchange reserves the right to limit participation in the USLP and shall accept individuals for participation at its absolute discretion.

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

Nancy Kaplan U.S. Office (Chicago)	+001 312 553 4813	NKaplan@nyx.com
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Colleen Herbert U.S. Office (New York)	+001 212 482 3000	CHerbert@nyx.com
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