



NYSE LIFFE US NOTICE No. 5/2014

ISSUE DATE: February 18, 2014
EFFECTIVE DATE: March 5, 2014

Announcement of the Renewal of the Asian, Latin American and Central European Designated Market Maker Program for Three-Month Eurodollar and DTCC GCF Repo Index Futures.

Summary

This Notice announces the renewal of the Asian, Latin American, and Central European Designated Market Maker Program.

1. Background on the Asian, Latin American and European Designated Market Maker program

1.1 [NYSE Liffe US Notice No. 7/2011](#) announced the establishment of several DMM Programs for US Treasury¹ and Eurodollar Futures Contracts (“Interest Rate Futures”), including the Asian, Latin American and Central European Designated Marker Maker Plan (the “ALACE Program”).

1.2 [Notice 20/2012](#) announced the enhancement to the ALACE Program to include trading in DTCC GCF Repo Index Futures.

1.3 Both Notice 7/2011 and Notice 20/2012 contained summaries of the terms of the ALACE Program which made clear that the initial term of the ALACE Program ran through December 31, 2013 and was automatically renewable for an additional three year term at the option of the parties.

2. Selection of Designated Market Makers

2.1 When launching the ALACE Program along with other market making programs coinciding with the launch of interest rate futures contracts in March 2011, the Exchange solicited market making proposals from a broad range of market participants. After a comprehensive vetting process that included a comparative

¹ Please note that the Exchange’s U.S. Treasury Futures contracts have subsequently been delisted. [Notice 4/2014](#).

analysis of the nature of the quoting commitments prospective DMMs were willing to make as well as an evaluation of their ability to act as DMMs with affirmative quoting obligations, firms were selected as DMMs in interest rate futures contracts.

- 2.2 All DMM appointments are subject to the terms of a contractual agreement between the Exchange and each DMM. Under the terms of the agreements, each DMM represents that its market making activity will comply with all applicable provisions of the Commodity Exchange Act, the rules and regulations of the Commodity Futures Trading Commission and the Rules of the Exchange. The Exchange monitors each DMM's performance of market making activity under the contract and may adjust benefits otherwise due under the agreement and/or terminate the agreement if it determines the DMM has failed to perform its obligations as a DMM under the agreement.

3. Renewal of ALACE Program

- 3.1 As outlined in Notices 7/2011 and 20/2012, the ALACE Program has been automatically renewed for another three year term effective January 1, 2014 through December 31, 2016.

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

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Attachment 1

Renewed Asian, Latin American, and Central European Market Maker Program Term Sheet

Eligible Participants

- Market Participants located in the Asian, Latin American and Central European Regions

Hours

- 2:00 a.m. – 4:00 p.m. ET

Renewed Program Term

- January 1, 2014 – December 31, 2016

Obligations

- Market Participant that is registered as a market maker in this program must be in full compliance with Exchange rules
- Post bids and offers at contracted bid/ask spreads and sizes during designated trading hours under normal market conditions for Three Month Eurodollar (“Eurodollar”) and DTCC GCF Repo Index (“GCF”) Futures

Incentives

- Exchange fee waiver in Eurodollar and GCF Futures
- Rebate per side up to a maximum amount of sides per month in GCF Futures
- Rebate per side determined by volume tiers, with the rebate amount diminishing with each successive volume tier in Eurodollar Futures.

Monitoring and Termination Status

NYSE Liffe US will monitor Market Maker activity on an ongoing basis, and retains the right to revoke market making status if NYSE Liffe US concludes, from its review that a program participant is not complying with the market-making obligations of the program.