

## LONDON NOTICE No. 2819

ISSUE DATE: 27 November 2006  
EFFECTIVE DATE: 2 January 2007

### 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 programme 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 2007 to 31 December 2007 on the revised terms described in this Notice.

#### 1. Introduction

- 1.1 London Notice No. 2703, issued on 4 November 2005, 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 Euronext.liffe STIR Futures Contracts.
- 1.2 This Notice informs members that the USLP will again be extended, on the revised terms explained in section 2 of this Notice, from 2 January 2007 until the close of business on 31 December 2007.

#### 2. Revisions to the USLP

- 2.1 Effective 2 January 2007, the USLP will be revised to provide registered U.S.-based proprietary traders who transact a minimum of 3,000 lots of Qualifying Business during a calendar month with 100% Exchange transaction fee rebates on the next 17,000 lots of Qualifying Business transacted during that same month. The revised USLP will operate on the basis of transacted rather than market assigned volume.
- 2.2 All other terms and conditions of the extended Programme remain the same as those of the USLP which is in effect until 29 December 2006. For ease of reference, these are described in section 3 of this Notice.
- 2.3 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 2007.

Web site: [www.euronext.com/derivatives](http://www.euronext.com/derivatives)

The Euronext Derivatives Markets ("Euronext.liffe") include 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.

### **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 and Euroswiss Futures Contract;
  - (b) is transacted by a person registered by the Exchange in the USLP; and
  - (c) is proprietary business of the person registered by the Exchange in the USLP and not client business.
- 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 may not be registered in the Individual Liquidity Provider Programme or the STIR Liquidity Provider ("SLP") Programme in respect of the Euribor or Short Sterling Futures Contracts.
- 3.5 Individuals registered in the USLP will be permitted to terminate their USLP registration in order to transfer into the SLP Programme, but they will not subsequently be permitted to transfer back into the USLP in 2007.
- 3.6 Exchange transaction fee rebates for all Qualifying Business transacted by a registered USLP trader in excess of 3,000 lots and up to 20,000 lots per calendar month (i.e. a maximum of 17,000 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 3,000 lots of Qualifying Business and for all Qualifying Business in excess of 20,000 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.
- 3.7 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.

- 3.8 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:

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