

LONDON NOTICE No. 3204

ISSUE DATE: 14 October 2009
EFFECTIVE DATE: 19 October 2009

EXTENSION OF THE AVAILABILITY OF THE BLOCK TRADE FACILITY IN RELATION TO SPECIFIED STIR, GOVERNMENT BOND AND SWAPNOTE® OPTION CONTRACTS

Executive Summary

This Notice informs Members of an extension of the availability of the Block Trade Facility. This will allow Block Trades in specified Exchange Contracts which have been organised during normal trading hours, but just prior to the Central Order Book closing, to be submitted on the basis of the normal Block Trade reporting requirements, but after the Central Order Book has closed.

1. In response to demand from Members, the Exchange has determined to extend the availability of the Block Trading Facility for a further fifteen minutes each day, such that Block Trades in specified Exchange Contracts which have been organised during normal trading hours, but just prior to the Central Order Book closing, may be submitted using the Block Trade Facility, subject to meeting the normal Block Trade reporting requirements.
2. The Block Trade reporting requirements will remain unchanged. These state that once a Block Trade has been organised, the Block Trade Executing Member must submit details to the Exchange via LIFFE CONNECT® as soon as practicable. In any event the details of the Block Trade must be submitted:
 - (a) within five minutes in the case of a Block Trade which was not dependent on the execution of a transaction in another instrument, unless market conditions are exceptional; or
 - (b) within fifteen minutes in the case of:
 - (i) exceptional market conditions (e.g. during periods of increased trading activity or volatility, whether predictable or not, or at times of significant directional price movement or re-pricing (for instance, following relevant economic announcements)); or
 - (ii) a Block Trade which was dependent on the execution of a transaction in another instrument;

Web site: www.nyx.com/liffe

The **Euronext Derivatives Markets** 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. The only amendment is to the availability of the Block Trade Facility. Under the existing arrangements for the London market, the Block Trade Facility is only available during those hours when the Central Order Book for the relevant Exchange Contract is open. However, under the revised arrangements the Block Trade Facility in respect of specified Contracts will be available for a further fifteen minutes after the Central Order Book in the relevant Exchange Contract has closed.
4. For clarification, on the Last Trading Day the Block Trade Facility will continue to close at the same time as the Central Order Book in relation to expiring Contracts.
5. The Exchange will continue to monitor for compliance with the Block Trade reporting requirements. Members are therefore reminded that they are required to maintain a robust audit trail in relation to Block Trades and must be able upon request to provide, both promptly and in an easily decipherable form, satisfactory evidence to the Exchange to demonstrate that a Block Trade submitted to LIFFE CONNECT[®] had been organised whilst the Central Order Book for the relevant Contract(s) was open.
6. The consequential amendments to the NYSE Liffe Trading Procedures are set out in the Attachment to this Notice.

Further Information:

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

Fixed Income Derivatives (+44 (0)20 7379 2222) stirs@liffe.com

Extract from NYSE Liffe Trading Procedures
Additions are shown underlined

Annexe One – Part I Last Revision: 19 October 2009

(a) Financial Products

| Option Contracts | Order Prioritisation (TP 3.3.1) | | Block trade facility (TP 4.5) | Prof trade facility (TP Part Two Section 6) | Basis trade facility (TP 4.2) | Asset allocation facility (TP 4.3) | Against Actuals Facility (TP 4.4) | Post-settlement trading (TP Lo.2) and Evening Trading Session Contracts (TP P.2) | Trade invalidation at a Member's request (TP 3.5.5 – 3.5.7) ¹ | Pre- negotiation correction facility |
|--|------------------------------------|-------------|-------------------------------------|--|-------------------------------------|---|--|---|--|---|
| | Price/Time | Pro Rata | | | | | | | | |
| The London Market | | | | | | | | | | |
| Euroswiss | x | ✓ | ✓ ² | x | x | ✓ | x | ✓ | ✓ | ✓ |
| Euro (EURIBOR) (including Mid-Curves) | x | ✓ | ✓ ² | x | x | ✓ | x | ✓ | ✓ | ✓ |
| Eurodollar (including Mid-Curve) | x | ✓ | ✓ | x | x | ✓ | x | ✓ | ✓ | ✓ |
| Short Sterling (including Mid-Curves) | x | ✓ | ✓ ² | x | x | ✓ | x | ✓ | ✓ | ✓ |
| Long Gilt | x | ✓ | ✓ ² | x | x | x | x | x | ✓ | ✓ |
| Euro Swapnote [®] | x | ✓ | ✓ ² | x | x | x | x | ✓ | ✓ | ✓ |

- Notes:
1. While the trade invalidation at a Member's request facility is restricted to options contracts, an exception is made for futures contracts which have been executed as cross transactions or wholesale trades, for which the facility is also available.
 2. USFs available for post-settlement trading: Dutch, French, German, Irish, Italian, Spanish, Swedish, Swiss, UK.
 3. Options contracts on the Amsterdam and Brussels Markets have Price/Time preferencing enabled. Certain options contracts, as detailed by Notice, provide for Primary Market Makers to receive trade priority status. The details of such trade priority, and its implications for the order prioritisation above, are detailed by Notice.
 4. Block trades can be facilitated up to 18.15 CET for these contracts.
 5. Block Trades may only be organised during normal trading hours but, subject to Trading Procedures 4.5.19 – 4.5.21, may be submitted up to 15 minutes after the Central Order Book in the relevant Exchange Contract has closed, except on the Last Trading Day when the Block Trade Facility will continue to close at the same time as the Central Order Book in relation to expiring Exchange Contracts.