

LONDON NOTICE No. 3539

ISSUE DATE: 2 December 2011
EFFECTIVE DATE: 3 January 2012

MARKET PARTICIPANT PROGRAMME FOR LATIN AMERICA (“LatAm”) BASED PARTICIPANTS

Executive Summary

This Notice informs Members of the introduction of a Market Participant Programme for Latin America (“LatAm”) based participants (the “Programme”) in specified Commodity, Fixed Income and Equity Futures Contracts available for trading on LIFFE CONNECT[®] and invites Members and appropriate clients of Members to apply.

1. Introduction

- 1.1 This Notice informs Members of the introduction of a Market Participant Programme for Latin America (“LatAm”) based participants (the “Programme”) in specified Commodity, Fixed Income and Equity Futures Contracts available for trading on LIFFE CONNECT[®] and invites eligible Members and appropriate clients of Members to apply.
- 1.2 The Programme will come into effect on **3 January 2012** and will be open to applications up to and including **30 November 2012**.

2. Benefits of the Programme

- 2.1 Each participant who is approved on the Programme will benefit from Exchange trading fee rebates in respect of Qualifying Business, subject to a monthly volume cap described in section 3.2, based on the fee schedule below:

Term	Trading Fee
Month 1-6	100% discount on trading fees
Month 7 -12	50% discount on trading fees

3. Qualifying Business

- 3.1 Under the Programme, “Qualifying Business” is business which is:
- (a) executed in one or more of the following contracts:

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.

Fixed Income:

- Three Month Euro (EURIBOR) Interest Rate Futures Contract;
- Three Month Sterling (Short Sterling) Interest Rate Futures Contract;
- Three Month Euro Swiss Franc (Euroswiss) Interest Rate Futures Contract;
- Three Month EONIA Swap Index Futures Contract;
- Long, Medium and Short Gilt Futures Contracts;
- Two Year, Five Year, and Ten Year Euro Swapnote[®] Futures Contracts;

Equity:

- FTSE 100 Index Futures Contract;

Commodity:

- White Sugar Futures Contract;
- Cocoa Futures Contract;
- Robusta Coffee Futures Contract; and

- (b) assigned to a firm registered by the Exchange as a participant in the Programme (the “Participant”).

3.2 Trading fee rebates will be paid on Qualifying Business which is less than or equal to a monthly volume cap of:

- (a) 10,000 lots per calendar month per firm, for the FTSE 100 Index Futures contract;
- (b) 10,000 lots per calendar month per firm, in aggregate across all relevant Fixed Income contracts; and
- (c) 5,000 lots per calendar month per firm, in respect of each individual Commodity contract,

3.3 Trading fee rebates will be calculated based on monthly volume assigned to the exclusive Account Reference(s) in the Universal Clearing Platform (“UCP”) of each registered participant firm.

3.4 In circumstances where Qualifying Business attracts differing Exchange trading fees, the Exchange shall calculate rebates due for each product set i.e. Fixed Income, Equity or Commodity, beginning with those which have the highest trading fees. Any business executed in excess of the monthly levels set out in paragraph 3.2 above will be charged at the standard Exchange trading fee for the contract concerned.

3.5 For the avoidance of doubt, rebates are only applicable to trading fees; clearing fees continue to apply. Full details of NYSE Liffe’s Subscriptions, Fees and Charges are available on the NYSE Euronext website (www.nyx.com/nyse-liffe/fees-charges).

4. Eligibility for the Programme

4.1 To qualify for the Programme, participants must meet the Qualifying Criteria outlined below:

- (a) the participant must be a firm based in LatAm, defined for the purposes of the Programme as being Argentina, Belize, Bolivia, Brazil, Chile, Columbia, Costa Rica, Ecuador, El Salvador, French Guiana, Guatemala, Guyana, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Suriname, Uruguay and Venezuela;

- (b) its Qualifying Business must be transacted from offices in LatAm and be assigned to a firm registered by the Exchange as a participant in the Programme. However, business may be transacted through a Member firm based outside LatAm; and
- (c) its Qualifying Business must be traded on a discretionary basis e.g. proprietary trading business (including proprietary trading funds) or hedging business, and not broking business, as the Exchange may determine at its absolute discretion.

5. Duration of the Benefits

- 5.1 The Benefits will run for a period of 12 calendar months, for each product set, from the point of registration, commencing the month in which participants are approved on the Programme for that particular product set.

By way of example:

- if in January 2012 a firm is registered to participate in respect of a Commodity contract(s), their participation in the Programme will run until end of December 2012; and
- if that same firm is registered to participate in respect of a Fixed Income contract(s) in March 2012, their participation in the Programme will run until end of February 2013.

6. Identification of Qualifying Business

- 6.1 Once a Participant has been registered, their Qualifying Business will be identified through a single unique entry into the User Specified field (a LIFFE CONNECT[®] field) that translates into a single Account Reference in UCP used exclusively by the registered participant and solely for his activity in that capacity.
- 6.2 Applicants should be aware that after a LIFFE CONNECT[®] trade enters UCP, the Account Reference field can be amended through UCP post trade processing any time up until 21:30¹ hours (London time) for Fixed Income and FTSE 100 Index Futures Contracts and 18:30 hours (London time) for Commodity Futures Contracts on the same business day. As such, applicants should ensure that they submit in their application the final Account Reference based on market assigned trades for the Exchange to identify Qualifying Business accurately. Amendments can only be made by the relevant Member.
- 6.3 It is essential that submitted Account References are accurate as a simple error will result in Qualifying Business not being identified. For example, if Account Reference “ABC1” was submitted as “ABC”, no Qualifying Business would be identified and no trading fee rebates would be awarded.
- 6.4 **The Exchange stresses that any underpayment of trading fee rebates resulting from inaccurate application/registration details will not be corrected retrospectively by the Exchange.**
- 6.5 If a registered Participant decides to make changes to the trading and/or clearing arrangements which were detailed in the application, particularly those used by the Exchange to identify Qualifying Business (e.g. clearer, Member and Account Reference details), it is the responsibility of the Participant to provide the Exchange with formal notification of such amendments in a timely manner, ideally in advance and in all cases by no later than close of business on the last business day of the month in which the change occurred. If this is not

¹ Certain contracts close early on specified US Bank holidays, on these days UCP post trade processing ends early at 18:30 (London time).

done, then only volumes transacted during the calendar month in which the notification of changes was received by the Exchange will be eligible for the benefits specified in paragraph 2.1 above.

7. Application Process

7.1 The application form for the Programme is available from Carlota Godinho (Business Development Manager), the Product Teams and on the NYSE Euronext website via the following links:

- Fixed Income: [www.nyx.com/LATAM Application Form](http://www.nyx.com/LATAM%20Application%20Form)
- Equities: [www.nyx.com/LATAM Application Form](http://www.nyx.com/LATAM%20Application%20Form)
- Commodities: [www.nyx.com/LATAM Application Form](http://www.nyx.com/LATAM%20Application%20Form)

Those wishing to apply for the Programme should complete the form and submit it to Carlota Godinho (cgodinho@nyx.com) before 30 November 2012. The Exchange's decision as to whether an applicant should be approved as a participant on the Programme shall be final and binding.

7.2 Non-members must obtain the necessary approval from the relevant Member and Clearing Member before applying for the Programme. Members of the Exchange must also obtain the necessary approval from their Clearing Member before applying.

7.3 Programme Terms and Conditions are attached to the application form. The Exchange advises every applicant to ensure that they have read and understood those Terms and Conditions, as the Terms and Conditions and applicable Notices govern participation in the Programmes.

7.4 Ultimately, it is the responsibility of the participant to ensure that all information included on the application form is complete and correct. Incorrect information will affect and possibly lengthen the application process and could affect the payment of Exchange trading fee rebates.

8. Other information

8.1 Exchange trading fees will be billed (as they are currently) to Clearing Members at the beginning of the following calendar month. This initial bill will be calculated on the basis of standard fees as published on the NYSE Euronext website. The Exchange will then calculate the rebates on Qualifying Business for approved Participants and make rebates to Clearing Members during the following calendar month. For example, rebates for Qualifying Business transacted in January 2012 will be calculated in February 2012 for payment to Clearing Members at the beginning of March 2012.

8.2 In the event that any business which may give rise to a benefit under the terms of the Programme may also qualify as business undertaken by the Participant giving rise to a benefit under any other Exchange liquidity provision, market making or other similar programme or arrangement (regardless of whether such programme or arrangement is an "incentive scheme" within the FSA's guidance), the Exchange reserves the right in its absolute discretion to take one or more of the following actions:

- (a) withhold the credit of any further rebates otherwise due under the other arrangements;
- (b) withhold the credit of any further rebates otherwise due under the Programme;
- (c) re-charge some or all of the rebates made under the other arrangements or the Programme; and

- (d) terminate the Agreement governing the Programme by notice to the parties with immediate effect.

8.3 The Exchange reserves the right in its absolute discretion to terminate the Programme by notice.

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

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