

SECTION ZZZ - TRANSITION RULES FOR LIFFE IN 2014

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ZZZ.1 INTRODUCTION

- ZZZ.1.1** These Transition Rules deal with certain matters occurring at and around the Transition Times. These Transition Rules form part of the Regulations. All terms used but not defined in these Transition Rules have the meaning given to them elsewhere in the Regulations. In the event of any conflict between the Regulations and these Transition Rules in relation to any matter to which these Transition Rules relate, these Transition Rules shall prevail.
- ZZZ.1.2** These Transition Rules will cease to apply on a date notified by the Exchange to Members in a circular, following such consultation with LIFFE and the Exchange as has been agreed to take place as between LIFFE, the Exchange and the Clearing House.

ZZZ.2 ADDITIONAL DEFINITIONS

In the Transition Rules, the following terms shall bear the meanings set opposite them below, if not inconsistent with the subject or context:

"1m Eonia"	means One Month EONIA Indexed Futures Contracts.
"3m Eonia"	means Three Month EONIA Swap Index Futures Contracts.
"1 st Transition Time"	means 29 September 2014 or such later date to which the first transition time is deferred (which will be communicated to Members by the Exchange) for Soft Commodities Contracts and such other contracts as specified by the Exchange.
"2 nd Transition Time"	means 6 October 2014 or such later date to which the second transition time is deferred (which will be communicated to Members by the Exchange) for Euroswiss, 1m Eonia, Short Gilts, Medium Gilts, Swapnote® Contracts and such other contracts as specified by the Exchange to the extent not transitioned during the 1 st Transition Time.
"3 rd Transition Time"	means 20 October 2014 or such later date to which the third transition time is deferred (which will be communicated to Members by the Exchange) for Sterling, Long Gilts, Ultra Long Gilts and such other contracts as specified by the Exchange to the extent not transitioned during the 2 nd Transition Time.
"4 th Transition Time"	means 3 November 2014 or such later date to which the fourth transition time is deferred (which will be communicated to Members by the Exchange) for Euribor, 3m Eonia, Euribor/Eonia Spread and such other contracts as specified by the Exchange to the extent not transitioned during the 3 rd Transition Time.
"5 th Transition Time"	means 17 November 2014 or such later date to which the fifth transition time is deferred (which will be communicated to Members by the Exchange) for Securities Contracts (excluding Bond Contracts) and such other contracts as specified by the Exchange to the extent not transitioned during the 4 th Transition Time.
"Bond Contracts"	means Short Gilts, Medium Gilts, Long Gilts and Ultra Long Gilts.
"Euribor"	means Three Month Euro Futures Contracts, Options on Three Month Euro Futures Contracts, One Year Mid-Curve Options on Three Month Euro Futures Contracts, Two Year Mid-Curve Options on Three Month Euro Futures Contracts, Three Year Mid-Curve Options on Three Month Euro Futures Contracts and Four Year Mid-Curve Options on Three Month Euro Futures Contracts.
"Euribor/Eonia Spread"	means the Inter-contract Spread strategy between Three Month Euro Futures and 3m Eonia.
"Euroswiss"	means Three Month Euro Swiss Franc Futures Contracts and Options on Three Month Euro Swiss Franc Futures Contracts.

"LIFFE"	means the market administered by LIFFE Administration and Management (a company registered in England and Wales with registration number 01591809) and the recognised investment exchange (as defined in the FSMA) known as and operated by LIFFE Administration and Management.
"LIFFE Member"	means a member of the market administered by LIFFE.
"LIFFE Rules"	means the rules of LIFFE, together with any procedures, as interpreted in accordance with guidance, notices and circulars, of LIFFE and, except when a particular rule is cross-referenced herein, has the same meaning as that given to the term "Rules" in the rules of LIFFE, as amended from time to time.
"Long Gilts"	means Long Gilt Futures Contracts and Options on Long Gilt Futures Contracts.
"Medium Gilts"	means Medium Gilt Futures Contracts.
"Opening Times"	means the time that the relevant Transitioning Contract begins trading on the Exchange.
"Responsible Person"	means an individual designated as such by a LIFFE member and registered with LIFFE pursuant to Rule 2202 of Book I of the LIFFE Rules.
"Short Gilts"	means Short Gilt Futures Contracts.
"Sterling"	means Three Month Sterling Futures Contracts, Options on Three Month Sterling Futures Contracts, One Year Mid-Curve Options on Three Month Sterling Futures Contracts, Two Year Mid-Curve Options on Three Month Sterling Futures Contracts, Three Year Mid-Curve Options on Three Month Sterling Futures Contracts and Four Year Mid-Curve Options on Three Month Sterling Futures Contracts.
"Transition"	means the phased transition of the Transitioning Contracts which will be communicated to Members by the Exchange.
"Transitioning Contracts"	means all contracts transitioning at the Transition Times which will be communicated to Members by the Exchange.
"Transition Rules"	means this Section ZZZ of the Regulations.
"Transition Times"	means each of the 1 st Transition Time, 2 nd Transition Time, 3 rd Transition Time, 4 th Transition Time or 5 th Transition Time, which will be communicated to Members by the Exchange.
"Ultra Long Gilts"	means Ultra Long Gilt Futures Contracts.

ZZZ.3 EXCHANGE TRANSITION

ZZZ.3.1 At each relevant Transition Time, the trading of relevant Transitioning Contracts will transfer from LIFFE to the Exchange.

ZZZ.3.2 Each Member shall ensure that immediately prior to each relevant Transition Time, it has re-entered on the Exchange, prior to the relevant Opening Time, any orders previously made on LIFFE that are intended to be effective after the relevant Transition Time, to the extent it wishes such orders to be effective after the relevant Transition Time, whether such orders are for its account or for the account of any of its customers.

ZZZ.4 FINANCIALS AND SOFTS TRADING PRIVILEGE

ZZZ.4.1 All LIFFE Members which are or become Members of the Exchange at the 1st Transition Time will automatically be granted a Financials and Softs Trading Privilege for the purposes of Rule B.6C.

ZZZ.5 RESPONSIBLE INDIVIDUALS

ZZZ.5.1 Notwithstanding Rule B.11.1 and Trading Procedure 14, any Responsible Person that is not also already a Responsible Individual shall automatically be deemed registered with the Exchange as a Responsible Individual at the 1st Transition Time.

ZZZ.6 CLAIMS ETC.

ZZZ.6.1 None of the Transitions shall affect any complaints, claims, demands, arbitration or appeals made, or to be made by the LIFFE Member against LIFFE, in either case in relation to any matter or event occurring or circumstance arising prior to a relevant Transition Time. The Exchange shall not become liable for any such matters at any Transition Time or otherwise.

ZZZ.6.2 Additionally, none of the Transitions shall affect:

- (a) any disciplinary, legal or other proceedings commenced against a LIFFE Member or Responsible Person by the Clearing House or LIFFE prior to a Transition Time;
- (b) the right of LIFFE to bring disciplinary, legal or other proceedings against a LIFFE Member or Responsible Person arising from the LIFFE Member's or Responsible Person's actions or omissions, as applicable, prior to a Transition Time; or
- (c) any complaint, claim, demand, arbitration or appeal that has been or may be made by LIFFE against a LIFFE Member or Responsible Person arising from the LIFFE Member's or Responsible Person's actions or omissions, as applicable, prior to a Transition Time.

ZZZ.6.3 The Exchange shall additionally be entitled to take action against a LIFFE Member in respect of the same circumstances referred to in Rule ZZZ.6.2 under these Regulations in relation to any matter or event occurring or circumstance arising prior to a Transition Time, or in relation to obligations which are not fully performed or completed or which are only partially performed or completed, regardless of whether any matter or event occurred or circumstance arose or relevant action or omission took place prior to a Transition Time.

ZZZ.6.4 Subject to the consent of LIFFE and the Exchange, LIFFE and the Exchange, acting jointly, may novate any complaint, claim, demand, disciplinary proceeding, arbitration or appeal arising prior to a relevant Transition Time to the Exchange, by giving notice to the LIFFE Member. Upon such notice being served:

- (a) the LIFFE Member will release and discharge LIFFE from such complaint, claim, demand, disciplinary proceeding, arbitration or appeal whatsoever or howsoever arising out of or in respect of the LIFFE Rules;
- (b) LIFFE will release and discharge the LIFFE Member from such complaint, claim, demand, disciplinary proceeding, arbitration or appeal whatsoever or howsoever arising out of or in respect of the LIFFE Rules;
- (c) the Exchange will:
 - (i) be vested with all the liabilities of LIFFE to the LIFFE Member whatsoever or howsoever arising out of or under the LIFFE Rules;
 - (ii) agree to perform all the duties and to discharge all the obligations of LIFFE under the LIFFE Rules; and
 - (iii) agree to be bound by the LIFFE Rules in every way as if the LIFFE Rules had been the rules of the Exchange at the relevant time instead of the rules of LIFFE,

solely in respect of such complaint, claim, demand, disciplinary proceeding arbitration or appeal.

- (d) the LIFFE Member will agree to be bound by the LIFFE Rules in every way as if the LIFFE Rules had been the rules of the Exchange at the relevant time instead of the rules of LIFFE, solely in respect of such complaint, claim, demand, disciplinary proceeding, arbitration or appeal;
- (e) LIFFE and the Exchange will acknowledge and agree that the LIFFE Member shall have the right to enforce the LIFFE Rules and pursue such complaint, claim, demand, disciplinary proceeding, arbitration or appeal whatsoever or howsoever arising out of or in respect of the LIFFE Rules as if the LIFFE Rules had been the rules of the Exchange at the relevant time instead of the rules of LIFFE, solely in respect of such complaint, claim, demand, disciplinary proceeding, arbitration or appeal;
- (f) LIFFE and the LIFFE Member will acknowledge and agree that the Exchange shall have the right to enforce the LIFFE Rules and pursue such complaint, claim, demand, disciplinary proceeding, arbitration or appeal whatsoever or howsoever arising out of or in respect of the LIFFE Rules as if the LIFFE Rules had been the rules of the Exchange at the relevant time instead of the rules of LIFFE, solely in respect of such complaint, claim, demand, disciplinary proceeding, arbitration or appeal; and
- (g) the LIFFE Member will procure the agreement of any non-LIFFE Member clients who are party to the novation of the complaint, claim, demand, disciplinary proceeding, arbitration or appeal on similar terms to those set out in Rule ZZZ.6.4(a) to (f) above and/or hold a corresponding contract relevant to such complaint, claim, demand, disciplinary proceeding, arbitration or appeal.

ZZZ.6.5 Where any LIFFE Member serves notice on the Exchange of its intention to appeal against a Directors' determination pursuant to Rule B.8.3, the requirement for a Member to lodge £2,000 with the Exchange towards the costs of the appeal under Rule B.8.3 shall not apply to the LIFFE Member, who shall be required to lodge the lesser sum of £1,000 towards the costs of the appeal.

ZZZ.7 COMMUNICATIONS ETC.

ZZZ.7.1 The LIFFE Members, the Members, LIFFE, the Exchange and the Clearing House agree that all materials, communications and instructions (whether written, electronic or oral) relating to or made in connection with any Transitioning Contract produced or used by any of the parties to that Transitioning Contract and all references in any Transitioning Contract to such contract or another Transitioning Contract shall be construed as a reference to the relevant Transitioning Contract subject to the relevant Transition. All notices and circulars issued by LIFFE concerning any Financial and Soft Contracts will apply to such contracts as traded on ICE Futures and cleared by ICE Clear until further notice by the Exchange save as set out in any conflicting Rule or circular.