

LONDON NOTICE No. 2841

ISSUE DATE: 2 February 2007
EFFECTIVE DATE: 20 February 2007

RAW SUGAR FUTURES AND OPTIONS CONTRACTS

EXCHANGE TRANSACTION FEES AND LCH.CLEARNET LTD CLEARING FEES

FEE HOLIDAY PERIOD

TRADE MATCHING ALGORITHM

MARGIN OFFSETS

Executive Summary

This Notice: (a) informs members of the Exchange transaction fees and LCH.Clearnet Ltd clearing fees for the Raw Sugar Futures and Options Contracts; (b) provides details of a transaction and clearing fee holiday period; (c) details the trade matching algorithm that will apply to the Raw Sugar Futures and Options Contracts; and (d) announces the margin offset applicable to holding both Raw Sugar Contracts and White Sugar Contracts.

1. Introduction

- 1.1 LIFFE Notice No. 2838, issued on 24 January 2007, notified members that the Raw Sugar Futures and Options Contracts ("the Contracts") will be made available for trading on and from Tuesday 20 February 2007 and informed members that further information relating to the introduction of the Contracts would be provided in due course.
- 1.2 This Notice provides members with the following additional information in relation to the Contracts:
- (a) the standard Exchange transaction fees and LCH.Clearnet Ltd ("the Clearing House") clearing fees;
 - (b) details about a six month transaction and clearing fee holiday;
 - (c) the applicable trade matching algorithm; and
 - (d) the margin offset applicable to holding both Raw Sugar Contracts and White Sugar Contracts.

Web site: www.euronext.com/derivatives

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2. Transaction and Clearing Fees

- 2.1 The Exchange has determined that the standard transaction fees will be as follows:
- (a) in respect of the Raw Sugar Futures Contract, 50 pence per lot per side; and
 - (b) in respect of the Raw Sugar Options Contract, 25 pence per lot per side.
- 2.2 The Clearing House has determined that the standard clearing fee in respect of the Contracts shall be 3 pence per lot per side.

3. Fee Holiday Period

- 3.1 The Exchange and the Clearing House have determined that, for a period of six months, all transaction fees and clearing fees in respect of the Contracts shall be waived.
- 3.2 The fee holiday shall cover the period from 20 February 2007 to 17 August 2007 inclusive.

4. Trade matching algorithm

- 4.1 Consistent with other Commodity Contracts which are available for trading on the London market, the trade matching algorithm to be applied to the Contracts shall be the pro-rata algorithm with a minimum volume threshold ("collar") and maximum volume cap ("cap").
- 4.2 The Exchange has determined that the collar and cap shall be 5 lots and 100 lots respectively.
- 4.3 For further information about the pro-rata trade matching algorithm, members should refer to London Circular No. 05/18, issued on 22 July 2005.

5. Margin offsets

- 5.1 The Clearing House has notified the Exchange that a margin offset of 70% will initially be made available on the overall combined margin of holding either (a) a short Raw Sugar Futures Contract lot and a long White Sugar Futures Contract lot, or (b) a long Raw Sugar Futures Contract lot and a short White Sugar Futures Contract lot.
- 5.2 Full details of the margin offset, as well as the London SPAN parameters applicable to the Contracts, will be issued by the Clearing House shortly.

6. Further information

- 6.1 For further information in relation to this Notice, members should contact their account manager or one of the following:

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