

## **LONDON NOTICE No. 3019**

ISSUE DATE: 10 April 2008

EFFECTIVE DATE: 10 April 2008

### **SHORT TERM INTEREST RATE ("STIR") OPTIONS**

### **EXTENSION OF DESIGNATED MARKET MAKER ("DMM") SCHEMES**

#### **Executive Summary**

This Notice informs Members of the extension of Designated Market Maker ("DMM") appointments in: (a) the STIR Options DMM Scheme in respect of Three Month Euro (EURIBOR) Interest Rate Options and Mid-Curve Options Contracts and the Three Month Sterling (Short Sterling) Interest Rate Options and Mid-Curve Options Contracts; and (b) the Electronic DMM Scheme in respect of the Three Month Euro (EURIBOR) Interest Rate Options and the Three Month Sterling (Short Sterling) Interest Rate Options Contracts.

1. The Exchange offers two separate Designated Market Maker ("DMM") schemes in Short Term Interest Rate ("STIR") Options Contracts:
  - (a) the STIR Options DMM Scheme in Three Month Euro (EURIBOR) Options and Mid-Curve Options Contracts and Three Month Sterling (Short Sterling) Options and Mid-Curve Options Contracts; and
  - (b) the Electronic DMM Scheme in respect of Three Month Euro (EURIBOR) Options and Three Month Sterling (Short Sterling) Options Contracts.
2. **Subject to the completion of legal agreements**, this Notice informs Members of the extension of DMM appointments in both Schemes for a further four months until the close of business on 31 July 2008.
3. An updated list of DMMs in the STIR Options DMM Scheme is contained in the Attachment to this Notice. Details of the market making obligations under the STIR Options DMM Scheme and of DMMs under the Electronic DMM Scheme are available on the Liffe website at [www.nyseeuronext.com/stirs-marketmakers](http://www.nyseeuronext.com/stirs-marketmakers).
4. All DMM appointments are subject to standard contractual terms (e.g. in respect of early termination).
5. The Exchange remains committed to continuing to improve and develop its STIR portfolio and to offering its members the most efficient and effective market place for the trading of STIR contracts. Members who wish to suggest new ideas and initiatives for the future development of the Exchange's STIR portfolio should contact Interest Rate Derivatives at Liffe.

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

The **Euronext Derivatives Markets ("Liffe")** 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.

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

Interest Rate Derivatives

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[stirs@liffe.com](mailto:stirs@liffe.com)

**SHORT TERM INTEREST RATE (“STIR”) OPTIONS CONTRACTS – DESIGNATED MARKET MAKERS (“DMMs”) IN THE STIR OPTIONS DMM SCHEME**

Three Month Euro (EURIBOR) including Mid-Curve	Three Month Sterling (Short Sterling) including Mid-Curve
<ul style="list-style-type: none"> <li>• ADG Market Making LLP</li> <li>• Atlantic Trading LLP</li> <li>• BNP Paribas S.A.</li> <li>• DRW Investments (UK) Limited</li> <li>• Fiscus Fund Management LLP, trading through Fortis Bank Global Clearing N.V.</li> <li>• International Marketmakers Combination Trading B.V</li> <li>• Investec Bank (UK) Ltd</li> <li>• Liquid Capital Markets Limited</li> <li>• Mako Fixed Income Partnership LLP</li> <li>• Mizuho Corporate Bank Ltd, trading through Mizuho Securities USA Inc</li> <li>• Saen Options BV</li> <li>• Sequoia Capital LLP</li> <li>• Sigma Derivatives, trading through Fortis Bank Global Clearing N.V.</li> <li>• Société Générale</li> <li>• STA Options Limited, trading through Schneider Trading Associates Limited</li> <li>• Saxon Financials Limited</li> <li>• Tradelink Worldwide Ltd</li> <li>• Winchmore Capital LLP</li> <li>• DMM A</li> </ul>	<ul style="list-style-type: none"> <li>• ADG Market Making LLP</li> <li>• Atlantic Trading LLP</li> <li>• DRW Investment (UK) Limited</li> <li>• Investec Bank (UK) Ltd</li> <li>• Liquid Capital Markets Limited</li> <li>• Mako Fixed Income Partnership LLP</li> <li>• Mizuho Corporate Bank Ltd, trading through Mizuho Securities USA Inc</li> <li>• Saen Options BV</li> <li>• Sequoia Capital LLP</li> <li>• Sigma Derivatives, trading through Fortis Bank Global Clearing N.V.</li> <li>• Société Générale</li> <li>• STA Options Limited, trading through Schneider Trading Associates Limited</li> <li>• Saxon Financials Limited</li> <li>• Winchmore Capital LLP</li> <li>• DMM A</li> </ul>
<p><u>Obligations</u></p> <p>1. For 90% of each trading session (that is, contract opening through to close), each DMM, upon demand, will be required to quote two way competitive prices and order sizes, either:</p> <p>(a) over the telephone; or</p> <p>(b) through LIFFE CONNECT®.</p> <p>2. Upon reasonable demand, each DMM will be required to provide the Exchange with theoretical pricing of Options Contracts to assist the Exchange with intra-day modelling and settlements publication.</p> <p><u>Exemptions</u></p> <p>1. On UK, US and German national holidays, the Exchange will determine which DMM obligations, if any, should be honoured.</p> <p>2. Where intra-day market conditions prevent a DMM from honouring its obligations, for example over the announcement of significant economic news and during technical issues, the DMM must inform the Exchange at its earliest convenience.</p>	