

LONDON NOTICE No. 3038

ISSUE DATE: 23 May 2008
EFFECTIVE DATE: 28 May 2008

INTRODUCTION OF FUTURES CONTRACTS ON THE CAC AND AEX HIGH DIVIDEND INDICES

Executive Summary

This Notice informs Members of the introduction of futures contracts on the CAC and AEX High Dividend Indices within Bclear with effect from Wednesday 28 May 2008.

1. Introduction

- 1.1 This Notice informs Members that futures contracts on the CAC High Dividend Index and on the AEX High Dividend Index will be introduced on Bclear with effect from Wednesday 28 May 2008. The High Dividend Indices were launched by NYSE Euronext, Global Index Group on 3 April 2008 and consist of stocks characterized by the highest dividend yields¹ during the previous calendar year. The CAC High Dividend Index includes 20 stocks selected from the CAC 40 Index and the AEX High Dividend Index includes 12 stocks selected from the AEX Index².
- 1.2 This Notice provides Members with the following information with respect to the introduction of Futures Contracts on the CAC and AEX High Dividend Indices:
- (a) Summary contract specifications;
 - (b) minimum volume requirements;
 - (c) access and reporting rights;
 - (d) business days and hours;
 - (e) fees; and

¹ Dividend per share, less withholding tax, divided by the price per share immediately before the ex-dividend date.

² Eligible stocks are components of each index effective on the 3rd Friday of March (annual review).

Web site: 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.

(f) the regulatory position in the United States.

2. Background to the CAC and AEX High Dividend Index

2.1 The High Dividend Indices are calculated as total return indices; the dividends taken into account will be the normal dividends, less withholding tax. Each index is built as a basket where weightings are determined by the relative dividend yields, each constituent being capped at 15%. More information on High Dividend Indices can be found on the NYSE Euronext website (www.newindices.euronext.com).

2.2 The High Dividend Indices are Basket Return Indices and the day-to-day management is carried out by NYSE Euronext, Global Index Group.

3. Contract Details

3.1 The Exchange will make CAC and AEX High Dividend Index Futures Contracts available on Bclear only. The Contract Specifications will be standard and are summarised as follows (please see the full legal Contract Specification for precise details):

Contract	AEX High Dividend Index Futures
Underlying Index	AEX High Dividend Index
TRS Code	DAE
Unit of Trading	Contract valued at €200 per index point
Delivery Months	Three serial months, six quarterly months (Mar, Jun, Sep, Dec) and twelve half yearly months (Jun and Dec) ³
Quotation	Index points
Trading Tick Size	0.001
Trading Tick Value	€0.20
EDSP Tick Size	0.01
Last Trading Day	Third Friday of the delivery month. In the event of the Third Friday not being a business day, the Last Trading Day shall normally be the last business day preceding the third Friday
Contract Standard	Cash settlement based on the Exchange Delivery Settlement Price
EDSP	Average of AEX High Dividend Index figures, calculated by taking 31 Index figures at one minute intervals, the last of such figures being the calculation made at 15:00 hours (London time) and the first being a calculation made not earlier than 14:30 (London time)
Delivery Date	First Business day after the Last Trading Day
Reporting Hours	08.00 - 17.00 hours (London time)
Time trading ceases on Last Trading Day	15:00 hours (London time)
Liffe market	London
Trading Platform	Bclear only
Central Counterparty	LCH.Clearnet Ltd

³ The maximum expiry for the AEX High Dividend Index Futures Contract will be the third Friday of the next indicative half-yearly delivery month (June and December), five years and six months at most from the date on which the contract is made.

Contract	CAC High Dividend Index Futures
Underlying Index	CAC High Dividend Index
TRS Code	DCC
Unit of Trading	Contract valued at €100 per index point
Delivery Months	Three serial months, six quarterly months (Mar, Jun, Sep, Dec) and twelve half yearly months (Jun and Dec) ⁴
Quotation	Index points
Trading Tick Size	0.01
Trading Tick Value	€1
EDSP Tick Size	0.01
Last Trading Day	Third Friday of the delivery month. In the event of the Third Friday not being a business day, the Last Trading Day shall normally be the last business day preceding the third Friday
Contract Standard	Cash settlement based on the Exchange Delivery Settlement Price
EDSP	Average of CAC High Dividend Index figures, calculated by taking 41 Index figures, the last of such figures being the calculation made at 15:00.30 hours (London time) and the first being a calculation made not earlier than 14:40.30 hours (London time)
Delivery Date	First Business day after the Last Trading Day
Reporting Hours	08.00 - 17.00 hours (London time)
Time trading ceases on the Last Trading Day	15:00 hours (London time)
Liffe market	London
Trading Platform	Bclear only
Central Counterparty	LCH.Clearnet Ltd

- 3.2 On and from Wednesday 28 May 2008, CAC and AEX High Dividend Index Futures Contracts shall be made available through Bclear under the terms of Exchange Contract No. 301.

4. Minimum Volume Requirement

- 4.1 There is no minimum volume requirement in respect of transactions in CAC and AEX High Dividend Index Futures Contracts to be submitted via Bclear.

5. Access and Reporting Rights

- 5.1 Direct access to Bclear is available to Members of the London market, including those affiliates of Members who have been approved by the Exchange pursuant to Rule 3601 (Rules, Book I). Other wholesale market participants who are clients of Members may have indirect access to Bclear on an intermediated basis via such Members, i.e. as is the case with their LIFFE CONNECT[®] business, Members will be required to perform appropriate risk management checks in relation to all client business before it is subjected to the Exchange's trade confirmation process.

⁴ The maximum expiry for the CAC High Dividend Index Futures Contract will be the third Friday of the next indicative half-yearly delivery month (June and December), five years and six months at most from the date on which the contract is made.

- 5.2 To submit CAC and AEX High Dividend Index Futures trades via Bclear, Members will need a Futures Subscription (FUT).
- 5.3 To claim trades only, Members will need to have the appropriate entitlement set up in the membership database.
- 5.4 To clear trades in CAC and AEX High Dividend Index Futures Contracts, Members require the relevant clearing status (GCM or ICM) and access to the Financials Trade Registration System ("Financials TRS").

6. Business Days and Hours

- 6.1 Members may report CAC and AEX High Dividend Futures transactions to the Exchange via Bclear between 08:00 and 17:00 hours (London time), unless otherwise specified. In respect of a contract on its Last Trading Day, reporting hours will end at the time trading ceases in such contract, as set out in the relevant Contract Specification. An updated copy of Exchange Contract No. 301 will be published on the Liffe website (www.nyx.com/liffe) and in the London Market Handbook in due course.
- 6.2 The reporting arrangements explained in Section 12 of Book II of the Rules and section 6 of this Notice will, of necessity, determine the days and hours during which the relevant transactions may be undertaken.

7. Availability of CAC and AEX High Dividend Index Futures Contracts via Bclear in 2008

- 7.1 CAC and AEX High Dividend Index Futures Contracts will **not** be available for reporting via Bclear on 25 and 26 December 2008.

8. Fees

- 8.1 Transaction fees will be charged on a per lot, per side basis. These will be set at €0.30 per lot, per side.
- 8.2 LCH.Clearnet Ltd clearing fees will also be charged on a per lot, per side basis. These will be set at €0.05 per lot, per side.

9. U.S. Regulatory Position

- 9.1 Members should note that U.S. persons are not permitted to engage in CAC and AEX High Dividend Index Futures transactions on Bclear.

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

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