

LONDON NOTICE No. 3325

Equivalent Notices are being issued to all NYSE Liffe markets.

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REVISIONS TO BOOK I OF THE EURONEXT RULE BOOK AND THE NYSE LIFFE TRADING PROCEDURES

Executive Summary

This Notice describes certain amendments to the harmonised Euronext Rules (Rule Book I) and Part One of the NYSE Liffe Trading Procedures, effective on and from 13 September 2010.

1. Introduction

- 1.1 On and from 13 September 2010, a number of elements of the Amsterdam and Brussels markets of NYSE Liffe will be further harmonised in order to increase trading opportunities for Members of those markets. In particular, the Amsterdam and Brussels markets will operate under the same Rules and Trading Procedures.
- 1.2 As a result of this additional harmonisation, certain revisions will be made to the Euronext Rules (Book I) and the NYSE Liffe Trading Procedures, which are described in the remainder of this Notice.

2. Amendments to the harmonised Euronext Rules (Book I)

- 2.1 This section describes a number of minor amendments to Book I of the Euronext Rulebook as a consequence of the harmonisation exercise described above. The amendments have no material impact on Members of the London market. In summary:
 - (a) a number of definitions of existing concepts (e.g. Competitive Market Maker and Primary Market Maker) have been added to Chapter 1;
 - (b) new Rule 2502/2 aims to accommodate, in particular, the Dutch process by which a Statement of Authority would be issued by a Clearing Member stating that the trading Member with which the Clearing Member has concluded a Clearing Agreement is authorised to act in the name of the Clearing Member. For the avoidance of doubt, the London market arrangement whereby LIFFE is a party to the Clearing Agreement also satisfies this Rule and London market Members therefore need do nothing further;
 - (c) Chapter 5 has been augmented with provisions on the admission of new options series (Rule 5103 refers), suspension (Rule 5402/2 refers) and on delisting of derivatives (Rule

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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.

5404 refers). These provisions are based on provisions in local Rules of the Amsterdam and Brussels markets and have been updated to reflect current practice;

- (d) new Rule 8102/3 sets out that, pursuant to National Regulations, Members acting on behalf of clients should inform such clients of the risk characteristics of the Financial Instrument concerned. This provision is designed to reinforce, rather than supersede, any requirements of the relevant competent authority in respect of client business; and
- (e) the opportunity has been taken to delete the now redundant definition of “Information Technology Agreement”.

2.2 An updated Euronext Rulebook (Book I) is available on the NYSE Euronext website at the following link: www.nyx.com/liffe.

3. Amendments to the NYSE Liffe Trading Procedures

3.1 A number of amendments have been made to the local provisions in Part Two of the Trading Procedures which have no impact on the London market. In particular, the separate sections in Part Two for the Amsterdam and Brussels markets have been deleted and now appear, instead, as a new consolidated section (i.e. Section 6, dealing with both the Amsterdam and Brussels markets together).

3.2 In addition, a number of minor amendments, highlighted below, have been made to the harmonised Part One of the Trading Procedures. For the avoidance of doubt, these new provisions merely reflect existing practices and arrangements and have no material impact on the London market:

- (a) Trading Procedure 2.4.7, concerning a general failure of LIFFE CONNECT®;
- (b) Trading Procedure 3.3.6, concerning the uncrossing algorithm; and
- (c) Trading Procedure 3.3.7, concerning Corporate Actions.

3.3 The updated Trading Procedures are available on the NYSE Euronext website at the following link: www.nyx.com/liffe.

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

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