

LONDON NOTICE NO. 3617

Issue Date: 27 June 2012

Effective Date: 2 July 2012

REVISIONS TO THE HARMONISED RULES (BOOK I)

Executive Summary

This Notice describes certain revisions to the Harmonised Rules (Book I), effective from 2 July 2012.

1. Introduction

- 1.1 This Notice describes certain revisions to the Harmonised Rules (Book I), effective on and from 2 July 2012.
- 1.2 A summary of the revisions is set out in the remainder of this Notice and the revisions themselves are shown in the Attachment to this Notice. Members should note that these revisions do not represent any amendments to the existing arrangements; they simply seek to set out existing arrangements more clearly.

2. Chapter 1 – General Provisions

- 2.1 New Rules 1502A to 1504A have been inserted into Chapter 1 on General Provisions to make explicit the powers of the Relevant Euronext Market Undertaking to take emergency action when circumstances require it. Rule 1601 has been renumbered as Rule 1501A but is otherwise unchanged.

3. Further Information

- 3.1 Members should note that other revisions are being made to Chapter 4 on Trading Rules for Securities but these revisions do not affect the Derivatives Markets of NYSE Liffe.
- 3.2 An updated version of the Harmonised Rules (Book I) will be made available on the NYSE Euronext website (www.nyx.com/liffe) in due course.

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

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Amendments to Chapter 1 – General Provisions of the Harmonised Rules (Book I)

Additions underlined

1.5A. OBLIGATIONS OF REGULATED MARKETS

1501A Euronext Market Undertakings are required, pursuant to National Regulations, to:

- (i) have clear and transparent Rules which (a) provide for fair and orderly trading and establish objective criteria for the efficient execution of orders; and (b) ensure that any Financial Instruments admitted to trading are capable of being traded in a fair, orderly and efficient manner;
- (ii) establish and maintain effective arrangements and procedures for the regular monitoring of the compliance with the Rules by Members and Issuers; and
- (iii) monitor the activity undertaken by Members in order to identify breaches of the Rules, disorderly trading conditions or conduct that may involve market abuse.

1502A The Relevant Euronext Market Undertaking may, if in its opinion any circumstances calling for emergency action have developed or are developing and, whenever possible, after consultation with the relevant Competent Authority (and, in any case, after notifying such Competent Authority), take any steps on a temporary basis to provide for, correct or check the further developments of those circumstances in order to preserve or restore conditions enabling the maintenance of fair and orderly trading and efficient execution of orders. Steps taken pursuant to this Rule 1502A shall be published by Notice or by such means as are considered appropriate and subsequently confirmed by Notice.

1503A For the purposes of Rule 1502A, “circumstances calling for emergency action” should be construed as being any unexpected circumstances which threaten, or potentially threaten, the ability of the Relevant Euronext Market Undertaking to meet its responsibilities as an operator of regulated markets to maintain the fair, orderly and efficient conduct of business on the markets and the due performance of contracts. Such circumstances include, but are not limited to, extreme asset price volatility, failure or compromise of critical IT systems and material systemic problems within financial markets. The steps taken pursuant to Rule 1502A may include, but would not be limited to, those actions mentioned in Rule 1601.

1504A Rule 1502A is without prejudice to the powers of a Competent Authority to require a Euronext Market Undertaking to take, or cease taking, steps.