

LONDON NOTICE No. 2985

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INTRODUCTION OF NEW SERIES ON REQUEST FOR INDIVIDUAL EQUITY OPTION AND FTSE 100 INDEX OPTION CONTRACTS

Executive Summary

This Notice informs members of the introduction of a harmonised procedure for the introduction of new Series On Request for Individual Equity Option and FTSE 100 Index Option Contracts.

1. Introduction

- 1.1 Notice Nos. 2835 and 2919, issued 18 January and 13 July 2007, advised Members of a revised policy for the introduction of new series for Individual Equity Option and FTSE 100 Index Option Contracts respectively. Following Member consultation this Notice provides details on the procedure which will govern the introduction of new Series On Request for these contracts from 22 January 2008 onwards.

2. Procedure

- 2.1 The procedure for introducing new Series On Request has the following key points:
- The Exchange retains the right to decide, at its absolute discretion, whether or not to grant a request for the introduction of a new series;
 - only Members are allowed to submit requests to the Exchange;
 - requests to introduce new series must only be made to Liffe Market Services (tel. no. +44 (0)20 7379 2004 for Individual Equity Option Contracts and +44 (0)20 7379 2001 for FTSE 100 Index Option Contracts);
 - new series may be requested with different strike prices, but may not otherwise deviate from the relevant standard contract specifications;
 - requests for new series with a strike price of 0 (zero) will not be accepted;
 - introduction of new series during the trading day should be made no later than 15:55 hours on normal trading days, and on the last trading day for expiring series no later

Web site: www.euronext.com/derivatives

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than 8:30 hours for FTSE 100 Index Option Contracts and 11:00 hours for Individual Equity Option Contracts (all times are London time);

- if there is no open interest in a requested series at the end of the day it is introduced, the series will, generally, be deleted or suspended after the close of trading; and
- requests for new series in option classes that are subject to previously announced forthcoming corporate events may not be granted.

- 2.2 Upon receipt of a request to introduce a new series, the Exchange will take the relevant underlying value at the time of the request and use that value to calculate the minimum number of series that should be listed in accordance with the initial series listing policy, as set out in the relevant Contract Terms. These series will constitute the range of standard series for the relevant contract. If the series that is being requested falls within this range then the requested new series will be considered to be “standard”, and “non-standard” if it falls outside of this range.
- 2.3 New standard series that are requested will be subject to the relevant liquidity providers’ obligation to provide quotes, which means that Primary Market Makers (PMMs)/Primary Liquidity Provider (PLP) active in the relevant option classes will be obliged to maintain a two-sided market in these new series from the time that they are introduced.
- 2.4 Members should note that for the FTSE 100 Index Option Contract, new series must be in multiples of 50 index points regardless of whether they are “standard” or “non-standard”.
- 2.5 Requests to introduce non-standard series, for either Individual Equity Option or the FTSE 100 Index Option Contracts may be made at levels up to 50% away from the relevant underlying value at the time of the request. However, in making a request to introduce a non-standard series the Exchange would expect the Member to execute an order in that series for an amount of lots no less than the equivalent Block Trade minimum size threshold.
- 2.6 Non-standard series may only be introduced in accordance with the intervals detailed in the table below:

Non-standard Series On Request			
Exercise Prices		Interval	Examples of non-standard Series On Request
0.10	- < 10.00	0.10	0.20 - 5.70 - 9.50
10.00	- < 100.00	0.50	11.50 - 55.00 - 97.50
100.00	- < 1,000.00	5.00	150.00 - 565.00 - 935.00
≥ 1,000.00		50.00	1,250 - 2,000.00 - 5,550.00

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

Niall Haughian

+44 (0)20 7379 2974

niall.haughian@liffe.com