

LONDON NOTICE No. 3559

ISSUE DATE: 26 January 2012
EFFECTIVE DATE: 1 February 2012

THREE MONTH EURO (EURIBOR) OPTIONS INCLUDING ONE YEAR AND TWO YEAR MID-CURVE OPTIONS CONTRACTS

END-USER PROGRAMME

Executive Summary

This Notice informs Members of the renewal of the End-User Programme in the Three Month Euro (EURIBOR) Options and Mid-Curve Options Contracts and invites Members and appropriate clients of Members to apply.

1. Introduction

- 1.1 London Notice No. 3467, issued on 5 July 2011, informed Members of the renewal of the fee incentive programme for End-Users in the Three Month Euro (EURIBOR) Options Contract including One Year and Two Year Mid-Curve Options (the “Contracts”) (“Euribor Options End-User Programme”), effective from 1 August 2011 until 31 January 2012.
- 1.2 This Notice informs Members that the Euribor Options End-User Programme will be renewed for a six month period from **1 February 2012** until **31 July 2012**.
- 1.3 Subject to the terms and conditions summarised in this Notice, the Euribor Options End-User Programme offers reduced Exchange trading fees by way of rebates, in respect of “Qualifying Business” in the Contracts.
- 1.4 Those who are already registered on the Euribor Options End-User Programme will be deemed to continue as participants in the Programme unless the Exchange is otherwise notified.

2. Benefits of the Euribor Options End-User Programme

- 2.1 Participants can register with the Exchange, and if accepted, will benefit from a reduction in Exchange trading fees based on the fee schedule in paragraph 2.2 below. The thresholds are based on monthly volumes executed in the Contracts, per side, per lot, per registered End-User.

Web site: www.nyx.com/liffe

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.

2.2 Euribor Options End-User Programme Fee Schedule

Monthly Volume (Lots)		Full Trading Fee	Trading Fee Rebate	Net Trading Fee
0	1,000,000	£0.22	£0.00	£0.22
1,000,001	2,000,000	£0.22	£0.05	£0.17
2,000,001	3,000,000	£0.22	£0.11	£0.11
3,000,001	4,000,000	£0.22	£0.14	£0.08
> 4,000,000		£0.22	£0.18	£0.04

3. Qualifying Business

3.1 “Qualifying Business” is business which satisfies the following criteria:

- (a) business executed in the Contracts;
- (b) either proprietary trading or hedging business of the approved End-User, but not market making business, e.g. where users respond to requests for quotes by providing two-way quotes; and
- (c) assigned to a registered Universal Clearing Platform (“UCP”) Account Reference of an approved End-User on the Euribor Options End-User Programme.

3.2 Whilst registered on this Programme, approved End-Users are excluded from registering the same Qualifying Business on any other Exchange liquidity provision, market making or other similar programme or arrangement in respect of the Contracts.

3.3 For the purposes of the Euribor Options End-User Programme, an End-User is defined as a firm whose activity in the Euribor Options market consists of, but is not necessarily limited to, proprietary trading and/or hedging business.

3.4 Members applying for the Euribor Options End-User Programme must not aggregate their client business with either their own proprietary business, or with other client business. Each client of the Member would need to apply as separate End-Users on the Programme, if so desired.

3.5 An End-User need not be a Member of the Exchange.

4. Application Process

4.1 The application form for the Euribor Options End-User Programme is available from Account Managers. Those wishing to apply for the Programme during any given calendar month should complete the application form (End-User Agreement) and submit it to their Account Manager five business days prior to the last day of the calendar month to be registered for that calendar month. The application deadline for the Euribor Options End-User Programme is 24 July 2012. The Exchange’s decision as to whether applicants should be approved as an End-User on the Programme shall be final and binding.

4.2 Non-members must obtain the necessary approval from the relevant Member and Clearing Member before applying for the Programme. Members of the Exchange must also obtain the necessary approval from their Clearing Member before applying.

4.3 Programme Terms and Conditions are attached to the application form. The Exchange advises every applicant to ensure that they have read and understood those Terms and Conditions, as the Terms and Conditions and applicable Notices govern participation in the Programmes.

4.4 Ultimately, it is the responsibility of the applicant to ensure that all information included on the application form is complete and correct. Incorrect information will affect and possibly lengthen the application process and could affect the payment of Exchange trading fee rebates.

5. Identification of Qualifying Business

5.1 Once a participant has been registered as an End-User, their Qualifying Business will be identified through the User Specified field (a LIFFE CONNECT[®] field that translates into a single Account Reference in UCP) used exclusively by the End-User and solely for their activity in that capacity.

5.2 Applicants should be aware that after a LIFFE CONNECT[®] trade enters UCP, the Account Reference field can be amended through UCP post trade processing any time up until 21:30 hours (London time) on the same business day. As such, applicants should ensure that they submit in their application the final Account Reference based on market assigned trades for the Exchange to identify Qualifying Business accurately.

5.3 It is essential that submitted Account References are accurate as a simple error will result in Qualifying Business not being identified. For example, if Account Reference “ABC1” was submitted as “ABC”, no Qualifying Business would be identified and no trading fee rebates would be awarded.

5.4 **The Exchange stresses that any underpayment of trading fee rebates resulting from inaccurate application/registration details will not be corrected retrospectively by the Exchange.**

5.5 If a registered End-User decides to make changes to the trading and/or clearing arrangement which were detailed in the application, particularly those used by the Exchange to identify Qualifying Business (e.g. Clearer, Member and Account Reference details), it is the responsibility of the End-User to provide the Exchange with formal notification of such amendments in a timely manner, ideally in advance and in all cases by no later than close of business on the last business day of the month in which the change occurred. If this is not done, then only volumes transacted during the calendar month in which the notification of changes was received by the Exchange will be eligible for the benefits specified in paragraph 2.

6. Billing Arrangements

6.1 Exchange trading fees will be billed (as they are currently) to Clearing Members at the beginning of the following calendar month. This initial bill will be calculated on the basis of standard fees as published on the NYSE Euronext website (currently 22p per lot, per side for Euribor Options and Mid-Curve Options). The Exchange will then calculate the rebates on Qualifying Business for approved End-Users and make rebates to Clearing Members during the following calendar month. For example, rebates for Qualifying Business transacted in February 2012 will be calculated in March 2012 for payment to Clearing Members at the beginning of April 2012.

6.2 In the event that any business which may give rise to a benefit under the terms of the Euribor Options End-User Programme may also qualify as business undertaken by the End-User giving rise to a benefit under any other Exchange liquidity provision, market making or other

similar Programme or arrangement (“Other Arrangements”) (regardless of whether such programme or arrangement is an “incentive scheme” within the FSA’s guidance), the Exchange will in its absolute discretion take one or more of the following actions:

- (a) withhold the credit of any further rebates otherwise due under the Other Arrangements;
- (b) withhold the credit of any further rebates otherwise due under the Programme;
- (c) re-charge some or all of the rebates made under the Programme or the Other Arrangements; and
- (d) terminate the End-User Agreement by notice to the parties with immediate effect.

6.3 The Exchange reserves the right in its absolute discretion to terminate the Euribor Options End-User Programme by Notice.

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

Fixed Income Derivatives

+44 (0)20 7379 2222

stirs@nyx.com