

LONDON NOTICE NO. 3673

Equivalent Notices are being issued to Members of all NYSE Liffe markets

Issue Date: 14 December 2012

Effective Date: 1 January 2013

UPDATED VERSION OF NYSE LIFFE'S CORPORATE ACTIONS POLICY

Executive Summary

This Notice informs Members of changes to NYSE Liffe's Corporate Actions Policy which will come into effect on 1 January 2013.

1. Introduction

- 1.1. The purpose of this Notice is to inform Members of changes to NYSE Liffe's Corporate Actions Policy ("the Policy") which will come into effect on 1 January 2013.

2. Background

- 2.1. London Info-Flash No. [LO12/71](#), issued on 4 October 2012, invited Members to comment on the proposed introduction of equalisation payments for all NYSE Liffe Individual Equity Options Contracts (including those Equity Options Contracts available for reporting through Bclear).
- 2.2. The rationale for the proposal was to further harmonise the Policy, and to minimize any difference in economic value before and after a Corporate Action adjustment.
- 2.3. Based on the positive feedback received from Members, NYSE Liffe hereby confirms that it will proceed with the introduction of equalisation payments for all Individual Equity Options Contracts traded on NYSE Liffe derivatives markets (including those Equity Options Contracts available for reporting through Bclear) with effect from 1 January 2013.

3. Changes to the Policy

- 3.1. The changes can be summarised as follows (additions shown underlined/deletions ~~struck through~~):

(i) Section 4.5 **EQUALISATION PAYMENTS**

For Paris Option Contracts, an equalisation payment will be made to neutralise the effect observed due to rounding of the Lot Size ~~or to the maintenance of the contract size as~~

mentioned in section 5.1. The equalisation payment amount will be determined by NYSE Liffe and its transfer between clearing members arranged by LCH.Clearnet.

(ii) Section 5.1 **RATIO METHOD**

Equalisation payments will be made for all **Paris Option Contracts** to neutralise the effect observed due to rounding of the Lot Size (see section 4.5).

- 3.2. The updated version of the Policy (version 9.0) will only apply to those Corporate Actions adjustments which are announced via a preliminary NYSE Liffe Corporate Action Notice after 1 January 2013.
- 3.3. An updated version of the Policy document will be made available on the NYSE Euronext website (www.nyx.com/corporateactionpolicy) in due course.

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

EMS Corporate Actions +31 (0)20 550 4296 corporateactionsteam@nyx.com