

## LONDON NOTICE NO. 3815

Issue Date: 31 March 2014

Effective Date: 7 April 2014

### OPTION CONTRACT ON EQUITY RELATED SECURITIES (INCLUDING COMPANY SHARES AND EXCHANGE TRADED FUND SHARES) (EXCHANGE CONTRACT NO. 201)

### EQUITY RELATED SECURITY CONTRACT (INCLUDING COMPANY SHARES, DEPOSITARY RECEIPTS AND EXCHANGE TRADED FUND SHARES) (EXCHANGE CONTRACT NO. 211)

### INTRODUCTION OF AN ADDITIONAL INDIVIDUAL EQUITY OPTION CONTRACT

#### Executive Summary

This Notice informs Members of the introduction of an additional standard Individual Equity Option Contract based on Ocado Group Plc company shares (listed on the London Stock Exchange) which will be made available on the Universal Trading Platform and within Bclear on and from 7 April 2014.

#### 1. Introduction

- 1.1 On and from 7 April 2014, the Exchange will make available, an additional standard Individual Equity Option Contract based on Ocado Group Plc company shares (the "Contract") listed on the London Stock Exchange ("the LSE") on UTP and within Bclear.

#### 2. Details of the standard Individual Equity Option Contract to be made available on the UTP and within Bclear

- 2.1 On and from 7 April 2014, the Contract, and for the purpose of Stock Contingent Trades an Equity Shares Contract, will be made available for trading on UTP under the terms of Exchange Contracts No. 201 and No. 211 respectively. The necessary additions to the Lists of Contract Details in respect of Exchange Contracts No. 201 and No. 211 are set out, respectively, in Attachments 1 and 2 to this Notice.
- 2.2 The Contract will follow the 3, 6, 9, 12 expiry cycle. The initial expiry months available will be **June 2014, September 2014, December 2014 and March 2015**.
- 2.3 The Contract shall be included in the Exchange's Block Trade Facility with effect from 7 April 2014. The Block Trade minimum volume threshold for the Contract shall be set at **500 lots**.
- 2.4 The Contract will be subject to the minimum volume requirement for standard individual equity option contracts within Bclear. The Bclear minimum volume threshold for the Contract is therefore set at **250 lots**.

### 3. Liquidity Provider Programmes

- 3.1 Members who would like to apply for a Liquidity Provider role in respect of the Contract should complete the Application Form available on the NYSE Euronext website: [www.nyx.com/elps](http://www.nyx.com/elps) (under the Stock Options and London headings). The Application Form should be sent to the Business Statistics & Data intelligence department via fax (+31 (0)20 550 5101) or email ([LPEurope@nyx.com](mailto:LPEurope@nyx.com)) by no later than **midday on 3 April 2014**.
- 3.2 The Contract will be part of the “Non-Target Group”. The Exchange will initially select up to ten Market Makers (Primary Liquidity Providers (“PLPs”) and Competitive Market Makers (“CMMs”)) for Non-Target Group option classes on the basis of applications received from Members.
- 3.3 The relevant Spread Group and Minimum Order Size will be as follows:

Company	UCP Contract Code	Spread Group	Minimum Order Size
Ocado Group Plc	OCA	3	5

- 3.4 Members will recall that the maximum spreads per group depend on the option bid price set out in the “Current Spreads and Size Obligations for Liquidity Providers” document on the NYSE Euronext website: [www.nyx.com/elps](http://www.nyx.com/elps), in respect of market making programmes for the London market. A summary of maximum spreads per group is set out in the table below:

Maximum Spreads per Group				
Option Bid Price	Group 1	Group 2	Group 3	Group 4
≤15p	5p	7p	10p	15p
≤ 30p	6p	8p	12p	20p
≤ 60p	7p	9p	15p	25p
≤ 100p	8p	10p	15p	30p
≤ 150p	15p	20p	30p	40p
≤ 1000p	15p	40p	60p	60p
>1000p	20p	60p	100p	100p

- 3.5 Members are reminded that the appointment of each PLP/CMM will be subject to a binding contract (“the Agreement”) between the successful applicant and the Exchange. A completed Application Form does not constitute such an Agreement. Furthermore, a successful applicant’s Liquidity Provider status, and therefore the period for which the Liquidity Provider may receive financial benefits, may not be deemed to have commenced until the Agreement is completed and signed by all parties.

- 3.6 For further information in respect of PLP/CMM roles and the Liquidity Provider Programmes in general, Members should refer to London Info-Flash No. [LO13/37](#), issued on 10 June 2013.

#### **4. U.S. Regulatory Position**

- 4.1 The standard and flexible Individual Equity Option Contracts will be “Eligible Options” (as referred to in London Notice No. [3732](#), issued on 3 July 2013) in respect of the transaction of business with specified U.S. entities.
- 4.2 London Notice No. [3732](#) also set out minor revisions to the arrangements under which specified U.S. persons are permitted to engage in transactions in Eligible Options and detailed an extension to the list of options covered by such arrangements. The list of “Eligible Options” now consists of all current LIFFE Individual Equity Option, and Index Option, Contracts based on non-US underlyings.
- 4.3 By extension, the arrangements set out in the aforementioned Notice also apply to the offer and sale in the U. S. of the corresponding Equity Shares Contract given that an Equity Shares Contract has to be executed as part of a Stock Contingent Trade.
- 4.4 The updated list of “Eligible Options” will be available on the NYSE Euronext website ([www.nyx.com/liffe](http://www.nyx.com/liffe)) in due course.

#### **5. Stamp Duty on Transfer of UK Securities**

- 5.1 Members who wish to receive stamp duty relief should note that a recognised Options Intermediary on LIFFE taking delivery from the LSE of Ocado Group Plc company shares set out in Attachment 1 to this Notice would not be subject to stamp duty.

#### **6. Additional Information**

- 6.1 Updated Lists of Contract Details in respect of Exchange Contracts No. 201 and No. 211 will be made available in the London Market Handbook and on the NYSE Euronext website ([www.nyx.com/londonmarkethandbook](http://www.nyx.com/londonmarkethandbook)) in due course.
- 6.2 Additional information, including business days and hours, fees and other information with respect to the operation of UTP and Bclear, can be found on the NYSE Euronext website ([www.nyx.com/bclear](http://www.nyx.com/bclear)).

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

Equity Derivatives Product Management

+44 (0)20 7379 2200

[equities@nyx.com](mailto:equities@nyx.com)

**List of Company Shares that may be the subject of a lot  
in respect of Exchange Contract No. 201**

<b>Company</b>	<b>Share</b>	<b>Contract Code</b>	<b>Expiry months</b>	<b>Tick Size</b>
Ocado Group Plc	GB00B3MBS747	OCA	3, 6, 9, 12	0.25p