

LONDON NOTICE No. 3487

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ROBUSTA COFFEE, COCOA AND WHITE SUGAR FUTURES AND OPTIONS CONTRACTS

EXTENSION OF NEW MARKET PARTICIPANTS PROGRAMMES IN INDIVIDUAL COMMODITY CONTRACTS

Executive Summary

This Notice informs Members of the extension of the New Market Participants Schemes (now known as Programmes) for each of the Robusta Coffee, Cocoa and White Sugar Futures and Options Contracts.

1. Introduction

- 1.1 London Info-Flash No. LO10/22, issued on 26 August 2010, informed Members of the renewal on amended terms of the Programmes aimed at new market participants in the Robusta Coffee, Cocoa and White Sugar Futures and Options Contracts (“the eligible Contracts”) for a twelve month period up to and including 31 August 2011.
- 1.2 This Notice informs Members of the renewal of the Programmes for a further twelve months from 1 September 2011 and will be open for applications up to and including 31 August 2012.

2. Eligibility for the Programmes

- 2.1 The Programmes are open to any individual trader:
- (a) who has not previously traded the eligible Contract for which they wish to register. This may include those individual traders who were registered under the previous Programme but did not trade the eligible Contract during the duration of that Programme;
 - (b) whose principal activities include trading futures or options on a discretionary basis for his own account, or for the proprietary account of an employer in which he has an interest; and

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- (c) whose trading activity will contribute to price discovery and will satisfy the futures or options order flow of other market participants.
- 2.2 For the avoidance of doubt, subject to the provisions outlined above a trader may register either concurrently or consecutively for each Programme.
- 2.3 To be eligible, traders must also continue to receive suitable training support within their trading firm. Members are reminded of their overarching obligations under the Rules to organise and control their affairs in a responsible manner and to ensure that all staff involved in Exchange business are suitable, adequately trained and properly supervised. Relevant guidance in this regard was issued, inter alia, under cover of Circular No. 99/28 on 25 February 1999.

3. Qualifying Business

- 3.1 “Qualifying Business” under each of the Programmes is business executed in the relevant eligible Contract that is:
 - (a) executed by, and assigned to, a person registered by the Exchange as a participant in the Programme; and
 - (b) own/proprietary account business of the registered participant, or his employer, and not client business.
- 3.2 As stated above, the purpose of the Programmes is to encourage new participants who intend to trade the relevant eligible Contract(s) for their own or proprietary accounts. Therefore, individuals who also intend to execute business on behalf of clients while participating in one or more of the Programmes should inform the Exchange.

4. Benefits

- 4.1 Each registered participant will benefit from rebated Exchange trading fees for Qualifying Business in the relevant eligible Contract(s) for the Programme(s) in which they are registered. The month from which rebates will be provided (“the rebate trigger month”) will be the month in which the registered participant first trades in the relevant eligible Contract(s), subject to the rebate trigger month being no later than August 2012.
- 4.2 Each registered participant will receive the following benefits:
 - (a) in respect of the rebate trigger month and the first, second and third months following the rebate trigger month, a full rebate of Exchange trading fees incurred in respect of Qualifying Business in the relevant eligible Contract(s); and
 - (b) in respect to the fourth, fifth, sixth and seventh months following the rebate trigger month, a rebate equal to 75% of Exchange trading fees incurred in respect of Qualifying Business in the relevant eligible Contract(s); and
 - (c) in respect of the eighth, ninth, tenth and eleventh months following the rebate trigger month, a rebate equal to 50% of Exchange trading fees incurred in respect of Qualifying Business in the relevant eligible Contract(s).
- 4.3 Standard clearing fees of 3p per side, per lot will continue to apply to all business transacted by participants in the Programmes.

5. Application process

- 5.1 Application forms for Members wishing to apply for eligible traders to be included in the Programmes are available from Account Managers, on the NYSE Euronext website (www.nyx.com/commschemes) or by sending an e-mail to commodities@nyx.com. The Exchange's decision as to whether applications should be approved shall be final and binding. Furthermore, the Exchange reserves the right to limit the number of participants in each of the Programmes. The Exchange also reserves the right to publish a list of Member firms participating in each of the Programmes.
- 5.2 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 Programme.
- 5.3 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.
- 5.4 Applications submitted near to the end of a month may not be approved until the following calendar month. Only volume assigned to the registered participant on and after the first trading day of the calendar month following the month in which the application was approved will be Qualifying Business.
- 5.5 Those Members who do not already hold the relevant trading subscription (i.e. a commodity futures and/or commodity options trading subscription, as applicable) should contact membershipops@nyx.com. Members should also ensure that they have the appropriate clearing arrangements in place in relation to commodity contracts.

6. Identification of Qualifying Business

- 6.1 Once an individual has been registered for participation in a Programme, his Qualifying Business will be identified through a single unique entry into the User Specified field (a LIFFE CONNECT[®] field that translates into a single Account Reference in the Clearing Processing and Trade Registration System, which is now known as the Universal Clearing Platform ("UCP")) used exclusively by the registered participant and solely for his activity in that capacity.
- 6.2 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 rewarded.
- 6.3 Applicants should be aware that after a LIFFE CONNECT[®] trade enters UCP, the Account Reference file can be amended through UCP post trade processing. For example, allocation can be made to a different Account Reference. As such, applicants should ensure that they submit in their application the final Account Reference of their trades for the Exchange to identify Qualifying Business accurately.
- 6.4 **The Exchange stresses that any underpayment of trading fee rebates resulting from inaccurate application/registration details will not be corrected retrospectively by the Exchange.**
- 6.5 If a registered participant 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 registered participant 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 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 4.2.

7. Billing arrangements

- 7.1 Exchange trading fees will be billed (as they currently are) to clearing Members at the beginning of the following calendar month. This initial bill will be calculated on the basis of the standard fees for the eligible Contract(s) concerned. The Exchange will then calculate the rebates on Qualifying Business for approved NMPs and make rebates to Clearing Members during the following calendar month. For example rebates for Qualifying Business transacted in October 2011, will be calculated in November 2011 for payment to Clearing Members at the beginning of December 2011).
- 7.2 In the event that any business which may give rise to a benefit under the terms of the Programmes may also qualify as business undertaken by the NMP giving rise to a benefit under any other Exchange market making, liquidity provision, 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 Programmes; and
 - (c) re-charge some or all of the rebates made under the other arrangements or the Programmes.
- 7.3 The Exchange reserves the right in its absolute discretion to terminate the Programmes by Notice.

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

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