

LONDON NOTICE No. 3259

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ENHANCED SERIES ON REQUEST POLICY FOR INDIVIDUAL EQUITY OPTION AND FTSE 100 INDEX OPTION CONTRACTS

Executive Summary

This Notice informs Members of the Exchange's intention to enhance the Series On Request policy for Individual Equity Option and FTSE 100 Index Option Contracts with effect from Monday 8 March 2010.

1. Introduction

- 1.1 This Notice informs Members of the Exchange's intention to revise the Series On Request policy for Individual Equity Options and FTSE 100 Index Option Contracts ("ESX Option Contracts") with effect from Monday 8 March 2010.
- 1.2 In response to market feedback, NYSE Liffe will increase the opportunities for requesting option series. The minimum volume threshold for non-standard requested series will be lowered to 250 lots for both Individual Equity Options and ESX Option Contracts. In addition, it will be possible to request series that are multiples of 25 Index Points for ESX Option Contracts for series which have up to a maximum remaining lifetime of 2 months. Further details are described in the procedures outlined below.

2. Procedure

- 2.1 The procedure for introducing new Series On Request has the following key points:
 - (a) 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;
 - (b) only Members may submit requests to the Exchange;
 - (c) requests to introduce new series must only be made to NYSE Liffe Market Services (tel. no. +44 (0)20 7379 2004 for Individual Equity Option Contracts and +44 (0)20 7379 2001 for ESX Option Contracts);
 - (d) new series may be requested with different exercise prices, but may not otherwise deviate from the relevant standard Contract Specifications;

Web site: www.nyx.com/liffe

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- (e) requests for new series with an exercise price of 0 (zero) will not be accepted;
 - (f) requests for 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 than 08:30 hours for ESX Option Contracts and 11:00 hours for Individual Equity Option Contracts (all times are London time);
 - (g) if there is no open interest in a requested series at the end of the day it is introduced, the series will, generally, be removed or suspended after the close of trading; and
 - (h) requests for new series in option classes that are subject to previously announced forthcoming corporate actions 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 introduced in accordance with the initial series listing policy, as set out in the relevant Notice. Such series will constitute the range of series introduced initially for the relevant contract.
- 2.3 If a series that is being requested falls within this initial range and/or is one interval smaller than the applicable interval, the requested new series will be considered to be “standard”. If the series that is being requested falls outside of this initial range and/or is more than one interval smaller than the applicable interval, the requested new series will be considered to be “non-standard”.
- 2.4 Requests to introduce non-standard series for Individual Equity Option Contracts may be made at levels up to 50% away from the relevant underlying value at the time of the request. Requests to introduce non-standard series for the ESX Option Contracts may be made at levels up to 50% away from the relevant underlying value for series with a remaining lifetime up to and including 4 months and at levels up to 100% away from the relevant underlying value for series with a remaining lifetime exceeding 4 months 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 no less than 250 lots.
- 2.5 Non-standard series should be in accordance with the intervals detailed in the table below:

| Non-standard Series On Request | |
|--------------------------------|----------|
| Exercise Prices | Interval |
| 1 - < 100 | 1 |
| 100 - < 500 | 5 |
| 500 - < 2,000 | 10 |
| ≥ 2,000 | 50 |

- 2.6 New 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 Providers (“PLPs”) 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.

- 2.7 Subject to paragraph 2.8 below, Members should note that for the ESX Option Contracts, new series must be in multiples of 50 Index Points regardless of whether they are “standard” or “non-standard”.
- 2.8 In relation to the ESX Option Contracts, series with a remaining lifetime of up to 2 months can be requested as multiples of 25 Index Points as long as these series fall within a range of 100 Index Points from the At-The-Money series.

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

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