

LONDON NOTICE No. 2700

ISSUE DATE: 27 October 2005
EFFECTIVE DATE: 31 October 2005

ACCESS TO LIFFE CONNECT® IN SINGAPORE

Executive Summary

This Notice explains the basis on which members and affiliates in Singapore may obtain direct access to LIFFE CONNECT®.

1. Introduction

- 1.1 The Monetary Authority of Singapore (“MAS”) has approved LIFFE Administration and Management (hereafter, the London market) as a recognised market operator in Singapore. In addition, Euronext.liffe’s Singapore hub, which will facilitate direct access to LIFFE CONNECT®, will be operational on and from 31 October 2005.
- 1.2 This Notice explains the terms and conditions applicable to members and affiliates wishing to obtain direct access to LIFFE CONNECT® from Singapore.

2. Scope

- 2.1 Subject to sections 3 to 5 of this Notice, firms may obtain direct access to LIFFE CONNECT® from Singapore in one of three ways. These are as follows:
 - (a) where a legal entity is both a member operating on the London market from outside Singapore and has offices in Singapore, the legal entity may obtain direct access to LIFFE CONNECT® from its offices in Singapore;
 - (b) firms in Singapore who are not members of the London market may apply to become members in the normal manner; or
 - (c) firms in Singapore who are affiliated to members of the London market may operate through such members if they do not wish to obtain membership themselves.
- 2.2 The basis on which members and their affiliates are able to obtain direct access to LIFFE CONNECT® from Singapore is explained in the remainder of this Notice.

Web site: www.euronext.com/derivatives

The Euronext Derivatives Markets (“Euronext.liffe”) include 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.

3. Terms and Conditions

3.1 Members of the London market and their affiliates who wish to have direct access to LIFFE CONNECT[®] from Singapore will need to comply with and/or be subject to the following terms and conditions:

- (a) the member or affiliate (as the case may be) must satisfy the definition of “professional investor” in Singapore. Professional investors are defined as “banks, merchant banks, finance companies, insurers, the Singapore Government, Singapore statutory bodies, pension funds, collective investment schemes, holders of capital markets services licences, approved Finance and Treasury Centres, and companies in the Global Trader Programme”;
- (b) consistent with the approach taken generally in relation to Exchange business, members/affiliates who are authorised in Singapore to conduct client business may provide indirect access to clients in Singapore only on the basis that all client business is subject to appropriate pre-trade risk management checks prior to its submission to LIFFE CONNECT[®];
- (c) access for members’ affiliates is subject to the requirements set out in sections 4 and 5 of this Notice; and
- (d) only the products listed in the Attachment to this Notice may be made directly available to members/affiliates in Singapore. In summary, these are all of the products which are currently made available for trading in the London market on the LIFFE CONNECT[®] Financials Trading Host or via the MATCH and FLEX[®] Facilities. At present, UK Individual Equity Options may not be made directly available. The Attachment will be updated from time to time.

4. Access for Members’ Affiliates

4.1 Consistent with its general approach, the Exchange is willing to enable members to provide a form of “direct access” to those firms who are affiliated to members of the London market and who do not wish to become members in their own right. This would involve affiliates accessing LIFFE CONNECT[®] through, and with the explicit agreement of, the member. Where this Notice refers to direct access for affiliates, the reference is to such an arrangement.

4.2 Specifically, the Exchange is willing to consider applications from members to allow their affiliates in Singapore to have direct access to LIFFE CONNECT[®] on the following basis:

- (a) the member registers with the Exchange in its name one or more Responsible Persons, as appropriate, who will supervise the business being submitted by the affiliate. The Responsible Person(s) will be required to operate from the office of the affiliate unless the member can demonstrate in advance, and to the satisfaction of the Exchange, that it could meet its obligations under the Rules and Trading Procedures if the Responsible Person(s) operated from the office of the member;
- (b) all business undertaken by the affiliate on LIFFE CONNECT[®] will be done in the name of the member and the member remains ultimately responsible for the conduct of LIFFE CONNECT[®] business submitted by the affiliate; and
- (c) for the purposes of LIFFE CONNECT[®], the premises of the affiliate will be treated as if they were the premises of the member and, pursuant to the Rules, the Exchange will be afforded access to such premises for any purpose considered necessary by the

Exchange including, without limitation, any regulatory or systems inspection purpose in respect of business conducted on LIFFE CONNECT®.

- 4.3 For the purposes of the policy set out in paragraph 4.2 above, and pursuant to the Rules, “affiliate” means a company which:
- (a) owns 95 per cent or more of the member; or
 - (b) is owned 95 per cent or more by the member; or
 - (c) is owned 95 per cent or more by a third party who also owns 95 per cent or more of the member.
- 4.4 The Exchange has not discussed with MAS whether there would be any regulatory or tax implications in Singapore for members based outside Singapore who wish to provide direct access to their affiliates in Singapore. Members may, therefore, wish to take professional advice on these points before providing such access.

5. Filing of Notice with the Exchange

- 5.1 Members who wish to provide direct access to LIFFE CONNECT® to their affiliates in Singapore are required to obtain the Exchange’s approval and to file a notice with the Exchange, which is available from the Euronext.liffe Membership Department (membership@liffe.com). Pursuant to paragraph 4.2(c), the notice states that, for the purposes of LIFFE CONNECT®, the premises of the affiliate will be treated as if they were the premises of the member. It also provides that, pursuant to the Rules, Exchange officials will be granted access to such premises for any purpose considered necessary by the Exchange including, without limitation, any regulatory or systems inspection purpose in respect of business conducted on LIFFE CONNECT®. The notice further provides that the member accepts full responsibility for all matters relating to the conducting of LIFFE CONNECT® business by the affiliate. The notice must be executed by authorised representatives of both the member and its affiliate.
- 5.2 Members should file the notice with the Euronext.liffe Membership Department (Cannon Bridge House, 1 Cousin Lane, London, EC4R 3XX) prior to granting their affiliates in Singapore direct access to LIFFE CONNECT®.

For further information in relation to this Notice, members should contact their account manager or one of the following:

Maxine Norris	+44 (0)20 7379 2334	maxine.norris@liffe.com
Laurence Walton	+44 (0)20 7379 2782	laurence.walton@liffe.com

**Contracts Listed on the London market which are directly available in Singapore
through LIFFE CONNECT[®] as at 31 October 2005**

Short Term Interest Rate Products

- Three Month Euro (EURIBOR) Interest Rate Futures
- Options on Three Month Euro (EURIBOR) Interest Rate Futures
- One Year Mid-Curve Options on Three Month Euro (EURIBOR) Interest Rate Futures
- Three Month Sterling (Short Sterling) Interest Rate Futures
- Options on Three Month Sterling (Short Sterling) Interest Rate Futures
- One Year Mid-Curve Options on Three Month Sterling (Short Sterling) Interest Rate Futures
- Three Month Euro Swiss Franc (Euroswiss) Interest Rate Futures
- Options on Three Month Euro Swiss Franc (Euroswiss) Interest Rate Futures
- Three Month Euroyen (TIBOR) Interest Rate Futures
- Three Month Eurodollar Interest Rate Futures
- Options on Three Month Eurodollar Interest Rate Futures
- One Year Mid-Curve Options on Three Month Eurodollar Interest Rate Futures
- One-Month EONIA-Indexed Futures

Bond and Swapnote[®] Products

- Long Gilt Futures
- Options on Long Gilt Futures
- Japanese Government Bond (JGB) Futures
- German Government Bond (Bund) Futures
- Options on German Government Bond (Bund) Futures
- Two Year German Government Treasury Note (Schatz) Futures
- Two Year Euro Swapnote[®] Futures
- Options on Two Year Euro Swapnote[®] Futures
- Five Year Euro Swapnote[®] Futures
- Options on Five Year Euro Swapnote[®] Futures
- Ten Year Euro Swapnote[®] Futures
- Options on Ten Year Euro Swapnote[®] Futures
- Two Year U.S. Dollar Swapnote[®] Futures
- Five Year U.S. Dollar Swapnote[®] Futures
- Ten Year U.S. Dollar Swapnote[®] Futures

Equity and Equity Index Products

- Universal Stock Futures Contracts on Continental European and U.S. Stocks
- Universal Stock Futures Contracts on UK Stocks (available via the MATCH Facility)
- FTSE 100 Index Futures
- FTSE 100 Index Options (European-Style Exercise) (including those available via the FLEX[®] Facility)
- FTSE 250 Index Futures
- FTSE Eurotop 100 Index Futures
- FTSEurofirst 80 Index Futures
- FTSEurofirst 80 Index Options
- FTSEurofirst 100 Index Futures

- FTSEurofirst 100 Index Options
- FTSEurofirst 300 Index Futures
- MSCI Euro Index Futures
- MSCI Pan-Euro Index Futures

Commodity Products

- Cocoa Futures
- Options on Cocoa Futures
- Robusta Coffee Futures
- Options on Robusta Coffee Futures
- White Sugar Futures
- Options on White Sugar Futures
- Wheat Futures
- Options on Wheat Futures