

LONDON NOTICE NO. 3755

Issue Date: 1 November 2013

Effective Date: 6 November 2013

REVISIONS TO THE LIFFE RULES (BOOK II) REGARDING BACK-TO-BACK CONTRACTS

Executive Summary

This Notice describes certain revisions to the LIFFE Rules (Book II) regarding Back-to-Back Contracts, effective on and from 6 November 2013.

1. Introduction

- 1.1 This Notice describes certain revisions to the LIFFE Rules (Book II) regarding Back-to-Back Contracts, effective on and from 6 November 2013.
- 1.2 Contract Terms and Administrative Procedures of Exchange Contracts have previously included provisions about “non-registered contracts”. The Exchange has determined that such provisions fit more appropriately within the Rules and as such the LIFFE Rules (Book II) are to be amended. No change of policy is implied by these amendments to the Rules.
- 1.3 A summary of the revisions is set out in the remainder of this Notice and the revisions themselves are shown in the Attachment to this Notice.

2. Section 4 – Trading Rules

- 2.1 Rule 4.12.4 has been updated and a new section entitled “Back-to-Back Contracts” has been inserted as Rule 4.12A.

3. Further Information

- 3.1 An updated version of the LIFFE Rules (Book II) will be made available on the NYSE Euronext website (www.nyx.com/liffe) in due course.

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

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Amendments to Section 4 – Trading Rules of the LIFFE Rules (Book II)

Additions underlined and deletions ~~strikethrough~~

- 4.12.4 Where a *Non-Clearing Member* is party to a *Transaction*, a *Parallel Contract* shall arise simultaneously between the *Non-Clearing Member* and its appointed *Clearing Member* in respect of such contract. Where a *Non-Clearing Member* party to a *Transaction* is acting on behalf of a *Client*, a *Contract in the Terms of an Exchange Contract* shall also arise simultaneously between the *Non-Clearing Member* and the *Client*. ~~The terms of such *Parallel Contract* shall be identical to those of the *Contracts in the Terms of an Exchange Contract* referred to in LIFFE Rule 4.12.3, save as to parties.~~

4.12A **Back-to-Back Contracts**

- 4.12A.1 For the purposes of this *LIFFE Rule 4.12A*, a *Back-to-Back Contract* shall mean a *Contract in the Terms of an Exchange Contract* related to, and other than, one between the *Clearing Organisation* and a *Clearing Member* and such definition shall include, inter alia, a *Parallel Contract* and a *Contract in the Terms of an Exchange Contract* between a *Non-Clearing Member* and a *Client* arising pursuant to Rule 4.12.4.
- 4.12A.2 The terms of a *Back-to-Back Contract* may include modifications by the parties thereto to the terms of an *Exchange Contract* so as to facilitate the performance of obligations or the exercise of rights under the *Contract in the Terms of an Exchange Contract* arising between the *Clearing Organisation* and a *Clearing Member* pursuant to *LIFFE Rule 4.12.3*. In particular, but without prejudice to the generality of the foregoing, all references in the *Contract Terms and Administrative Procedures* of an *Exchange Contract* to payment or dealing between the *Buyer* or the *Seller* and the *Exchange* or *Clearing Organisation* shall be modified so as to require a similar payment or dealing directly between the *Buyer* and the *Seller* party to such *Back-to-Back Contract*. “