

LONDON NOTICE NO. 3763

Issue Date: 20 November 2013

Effective Date: 22 November 2013

EQUITY INDEX CONTRACTS (EXCHANGE CONTRACT NO. 301)

INTRODUCTION OF ADDITIONAL INDEX FUTURES CONTRACTS BASED ON MSCI NET TOTAL RETURN INDICES

Executive Summary

This Notice informs Members of the introduction within Bclear of four additional futures contracts based on MSCI Net Total Return Indices.

1. Introduction

- 1.1 This Notice informs Members that futures contracts based on four regional and country-specific MSCI indices, calculated on a "Net Total Return" basis ("the Contracts") will be made available via Bclear on and from 22 November 2013.
- 1.2 This Notice provides Members with the following information with respect to the introduction of the Contracts:
 - (a) list of the relevant MSCI indices;
 - (b) summary contract specification and contract terms;
 - (c) Bclear minimum volume requirements;
 - (d) access and reporting rights;
 - (e) reporting days, reporting hours and Last Trading Day;
 - (f) fees;
 - (g) statement in relation to the Contract; and
 - (h) the regulatory position in the United States.

2. MSCI Net Total Return Indices

- 2.1 The indices are calculated on a "Net Total Return" basis. They measure the market performance, including both price performance and income from dividend payments.
- 2.2 The MSCI Net Daily Total Return (DTR) Methodology reinvests dividends in the indices on the day the security is quoted ex-dividend (xd-date). With effect from 1 December 2009, dividends have

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been reinvested after deduction of withholding tax, applying the rate to non-resident individuals who do not benefit from double taxation treaties.

2.3 For detailed information in respect of MSCI's Index Calculation Methodology, please refer to the latest MSCI Index Calculation Methodology available on: www.msci.com

2.4 The four MSCI Indices on which the Contracts are based are listed below:

- (i) MSCI ACWI ex Europe Index (Euro);
- (ii) MSCI France Index (Euro);
- (iii) MSCI Hungary (USD); and
- (iv) MSCI UK (Euro).

3. Summary Contract Specification and Contract Terms

3.1 On and from Friday 22 November 2013, the Contracts shall be made available through Bclear under the terms of Exchange Contract No. 301.

3.2 The summary Contract Specifications are set out in Attachment 1 to this Notice.

3.3 Exchange Contract No. 301 will be amended in order to reflect the inclusion of the Contracts and the additions to the table of Contract Details which is set out in Attachment 2 to this Notice.

3.4 The first delivery month to be made available shall be the December 2013 delivery month.

4. Bclear minimum volume requirements

4.1 There is no minimum volume requirement in respect of the Contracts.

5. Access and Reporting Rights

5.1 Direct access to Bclear is available to Members of the London market, including those affiliates of Members who have been approved by the Exchange pursuant to Rule 3401 (Rules, Book I). Other wholesale market participants who are clients of Members may have indirect access to Bclear on an intermediated basis via such Members. Members will be required to perform appropriate risk management checks in relation to all client business before it is subjected to the Exchange's trade confirmation process.

5.2 To submit trades in the Contracts via Bclear, Members will need a Futures subscription (FUT).

5.3 To claim trades only in the Contracts, Members will need to have the appropriate entitlement set up in the membership database and access to the Universal Clearing Platform ("UCP").

5.4 To clear trades in the Contracts, Members will require the relevant clearing status (GCM or ICM) and access to UCP.

6. Reporting Days, Reporting Hours and Last Trading Day

- 6.1 Transactions in respect of the Contracts will be capable of being reported via Bclear on those market days on which the relevant stock exchange is open for business as specified in Attachment 3 to this Notice.
- 6.2 Members may report transactions in the Contracts to the Exchange via Bclear between 08:00 and 17:30 hours (London time), except on the Last Trading Day when transactions may be reported to the Exchange via Bclear between 08:00 and 16:00 hours (London time).
- 6.3 The reporting arrangements explained in Section 12 of Book II of the Rules and section 6 of this Notice will, of necessity, determine the days and hours during which the relevant transactions may be undertaken.
- 6.4 The Last Trading Day for the Contracts shall normally be the third Friday of the delivery month. However, Members should refer to Term 4 in Exchange Contract No. 301 on the NYSE Euronext website (www.nyx.com/liffe) and the definition of “business day” in Term 1 which have the following effect in respect of the Last Trading Day: for the Contracts, the Last Trading Day will not ordinarily be moved unless all of the relevant stock exchanges are closed for business, subject to Term 4.03.

7. Fees

- 7.1 Transaction fees will be charged on a per lot, per side basis. These will be set at £0.47 per lot, per side for published trades and £0.57 per lot, per side for non-published trades.
- 7.2 Clearing fees will also be charged on a per lot, per side basis. These will be set at £0.03 per lot, per side.

8. Statement in relation to the Contract

- 8.1 The Exchange draws the following statement to the attention of potential users of the Contracts. Members should ensure that their clients are made aware of the statement.

“Statement in relation to the Contract

“Potential users of the Equity Index Contracts made available on the London International Financial Futures and Options Exchange should familiarise themselves with the relevant Index rules, construction, calculation and dissemination procedures (together the “Index rules and procedures”) and these contract terms. The various indices underlying the Equity Index Contracts made available under this Exchange Contract No. 301 are calculated and managed by a number of different index providers, each of whom has its own Index rules and procedures. Furthermore, Index construction methodologies vary from Index to Index. Therefore, potential users should ensure that they familiarise themselves with all relevant Index rules and procedures for the specific Equity Index Contracts they intend to use.

Certain Equity Index Contracts may be available for trading for periods of the trading day when one or more (or all) of the relevant underlying stock exchanges are closed. Potential users should

consider for themselves, or take advice in relation to, the risks of trading those Contracts while any of the underlying stock exchanges are closed.

Price formation leading to the EDSP for the Equity Index Contracts is subject to similar influences to those in the case of many other cash-settled contracts. Trading activity on the relevant stock market(s) during the EDSP Period is likely to be affected by the activity of particular market participants who are seeking to obtain price convergence at the EDSP between offsetting stock and futures positions. Such participants might typically seek to achieve this by unwinding their stock positions during the EDSP Period at prices which they anticipate will contribute to the calculation of the Index figure(s) which will, in turn, be used to determine the final EDSP. A consequence of this concentrated activity might be that:

- (a) (with the exception of the Contracts on the MSCI Net Total Return Indices and the MSCI KOKUSAI Gross Total Return Index, in relation to which official Index figures are calculated on a daily basis only), the final EDSP differs from the Index figure immediately prior to the commencement of the EDSP Period and, if relevant, from the Index figure immediately following that period; or
- (b) for the Bclear MSCI Net Total Return Index Contracts and the Bclear MSCI KOKUSAI Gross Total Return Index Contract only, the Index figure used to calculate the final EDSP differs from the Index level(s) implicit (since the Index is not calculated on a realtime basis) from the prices of relevant stocks during the immediately preceding period.

Potential users should, therefore, consider the risks of holding positions into the expiry of the Equity Index Contracts. In particular, they should consider their exposure to potentially unfavourable price movements in the expiry and whether to take steps to neutralise such exposure; for example, taking into account that there may be relatively limited liquidity provision, whether to “roll” or close positions prior to expiry.

Potential users should also be aware that, in respect of Equity Index Contracts based on Indices for which there is more than one relevant stock exchange, a “market day” will ordinarily be capable of being designated as a “business day”, and therefore as a “Last Trading Day”, unless all relevant stock exchanges are closed for business.

Where the Last Trading Day occurs on a day where one or more of the relevant stock exchanges is closed for business, the EDSP will necessarily be derived from Index figure(s) containing some constituent stock prices which were determined on the most recent previous day on which each such stock exchange was open for business. In such circumstances, potential users should be aware that, as a consequence, the constituent stock prices contributing to the Index figure(s) used to calculate the EDSP will not all have been determined on the same day. Potential users should be aware that, in such circumstances, although some constituent stocks will not be available for trading on the Last Trading Day of the Contract, the prices of those constituent stocks as included in the Index calculation may, as a result of movements in foreign exchange rates, still be subject to change which would be reflected in the EDSP in accordance with the relevant Index compilation and calculation procedures.”

9. U.S. Regulatory Position

- 9.1 Members should note that U.S. Persons are not currently permitted to engage in transactions in the Contracts.

10. Additional Information

- 10.1 The updated version of Exchange Contract No. 301 and the List of Contract Details will be made available in the London Market Handbook on the NYSE Euronext website (www.nyx.com/londonmarkethandbook) in due course.
- 10.2 Additional information, including business days and hours, Bclear fees and other information with respect to the operation of Bclear, can be found on the NYSE Euronext website (www.nyx.com/bclear).

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

Equity Product Management +44 (0)20 7379 2200 equities@nyx.com

Summary Contract Specifications

Contract	MSCI ACWI ex Europe NTR EUR Index Futures	MSCI France NTR EUR Index Futures	MSCI UK NTR EUR Index Futures	MSCI Hungary NTR USD Index Futures
Exchange Contract Code	MWL	MFR	MUN	MHU
Contract Size	Valued at €100 per Index Point			\$100 per Index Point
Delivery Months	The first six quarterly months from the March/June/September/ December cycle; plus up to three of the nearest serial months such that the nearest four calendar months are available for trading; plus the half yearly months on the June/December cycle up to a maximum of two years			
Quotation	EUR per index point			USD per index point
Trading Tick Size	0.001			0.001
Trading Tick Value	€0.10			\$0.10
EDSP Tick Size	0.001			0.001
Last Trading Day	Third Friday of the delivery month			
Contract Standard	Cash settlement based on the EDSP			
EDSP	Closing value of the Index on the Last Trading Day of the delivery month			
EDSP Published	No later than 09:00 on the Business day following the Last Trading Day (London time)			
Delivery Date	Second Business day after the Last Trading Day			
Trading Hours	On Bclear from 08:00 to 17:30 hours (London time)			
Time Trading Ceases on LTD	16:00 hours (London time)			
Trading Platform	Bclear only			
Clearing	ICE Clear Europe			
Reuters RICs	Index: .dPIWDE0000NEU Futures: <0#MWLif:>	Index: .dMIFR00000NEU Futures: <0#MFRif:>	Index: .dMIGB00000NEU Futures: <0#MUNif:>	Index: .dMIHU00000NUS Futures: <0#MHUif:>

Additions to Exchange Contract No. 301**Contract Details Specified By The Board For Equity Index Contracts ("Table 1")**

Index	MSCI ACWI ex Europe NTR EUR Index Futures	MSCI France NTR EUR Index Futures	MSCI UK NTR EUR Index Futures	MSCI Hungary NTR USD Index Futures
Known as Exchange Contract No.	231	232	233	234
Currency specified by the Board	euro €			\$ usd
Contract size	Valued at €100 per Index Point			\$100 per index point
Value of Value Point	€10 per lot			\$10 per lot
Minimum Price Fluctuation	0.01 of a Value Point			
Delivery months	January, February, March, April, May, June, July, August, September, October, November, December			
No. of delivery months available for trading	The first six quarterly months from the March/June/September/December cycle; plus up to three of the nearest serial months such that the nearest four calendar months are available for trading; plus the half yearly months on the June/December cycle up to a maximum of two years.			
Quotation	Index Points (e.g. 1,000.0)			
Last Trading Day	Third Friday of the delivery month			
EDSP: rounding convention	Rounded to the nearest 0.001 or, where such average is an exact uneven multiple of 0.0005, to the nearest higher 0.001			

Availability of the Contracts via Bclear in 2013 and 2014

Transactions in respect of the MSCI ACWI ex Europe, MSCI France, MSCI Hungary and MSCI UK Net Total Return Index Contracts will be capable of being reported via Bclear as follows:

- in respect of those indices for which there is a single relevant stock exchange, on any market day on which the relevant stock exchange is open for business;
- and in respect of those indices for which there is more than one stock exchange, on any market day.

Transactions will **not** be capable of being reported via Bclear on the following days:

MSCI ACWI ex Europe – 2013 and 2014	
Christmas Day	Wednesday 25 December 2013
Boxing Day	Thursday 26 December 2013
New Year's Day	Wednesday 1 January 2014
Good Friday	Friday 18 April 2014
Easter Monday	Monday 21 April 2014
Christmas Day	Thursday 25 December 2014
Boxing Day	Friday 26 December 2014

MSCI France – 2013 and 2014	
Christmas Day	Wednesday 25 December 2013
Boxing Day	Thursday 26 December 2013
New Year's Day	Wednesday 1 January 2014
Good Friday	Friday 18 April 2014
Easter Monday	Monday 21 April 2014
Labor Day	Thursday 1 May 2014
Christmas Day	Thursday 25 December 2014
Boxing Day	Friday 26 December 2014

MSCI Hungary – 2013 and 2014	
Christmas Eve	Tuesday 24 December 2013
Christmas Day	Wednesday 25 December 2013
Boxing Day	Thursday 26 December 2013
Bridge Day	Friday 27 December 2013
New Year's Eve	Tuesday 31 December 2013
New Year's Day	Wednesday 1 January 2014
Good Friday	Friday 18 April 2014
Easter Monday	Monday 21 April 2014
Labour Day	Thursday 1 May 2014
Bridge Day	Friday 2 May 2014
Whit Monday	Monday 9 June 2014
St Stephen's Day	Wednesday 20 August 2014
National Day	Thursday 23 October 2014
Bridge Day	Friday 24 October 2014
Christmas Eve	Wednesday 24 December 2014
Christmas Day	Thursday 25 December 2014
Boxing Day	Friday 26 December 2014
New Year's Eve	Wednesday 31 December 2014

MSCI UK – 2013 and 2014	
Christmas Day	Wednesday 25 December 2013
Boxing Day	Thursday 26 December 2013
New Year's Day	Wednesday 1 January 2014
Good Friday	Friday 18 April 2014
Easter Monday	Monday 21 April 2014
May Day	Monday 5 May 2014
Spring Bank Holiday	Monday 26 May 2014
Summer Bank Holiday	Monday 25 August 2014
Christmas Day	Thursday 25 December 2014
Boxing Day	Friday 26 December 2014