

## **BULLETIN No. 2012 – 06**

Des Bulletins équivalents seront publiés par tous les marchés de NYSE Liffe.

DATE: 1er mars 2012

EFFECTIVE DATE: 9 mars 2012

### **MODIFICATION DES PROCÉDURES DE NÉGOCIATION DE NYSE LIFFE**

#### **Sommaire:**

Ce Bulletin décrit les changements apportés aux Procédures de Négociation de NYSE Liffe, effectifs le 9 mars 2012.

#### **1. Introduction:**

- 1.1 Ce Bulletin décrit les changements apportés à la Section 2.1 (Limites de prix) de la Première Partie des Procédures de Négociation harmonisées de NYSE Liffe ("Procédures de Négociation") et de la Section AB.5 (Prof Transactions) de la Partie Deux des Procédures de Négociation non harmonisées. Ils entrent en vigueur le 9 mars 2012.
- 1.2 Ces changements sont indiqués dans ce Bulletin et les modifications elles-mêmes figurent en annexe à ce Bulletin.

#### **2. Limites de prix :**

- 2.1 Cette section apporte des précisions sur la méthodologie de gestion des limites de prix au moyen de modifications mineures apportées à la Section 2.1 de la Première Partie des Procédures de Négociation. Les membres voudront bien noter que ces modifications ne représentent pas une modification de la méthodologie de gestion des limites de prix; plus simplement, elles présentent cette méthodologie plus clairement et apporte plus de cohérence entre les Procédures de Négociation et le document des « Price Limits and Trade Invalidation Value Ranges », dans lequel les valeurs des limites de prix sont indiquées ([www.nyx.com/price limits](http://www.nyx.com/price limits)).
- 2.2 Il est rappelé aux membres que les limites de prix opèrent de manière à éviter des erreurs manifestes lors de la soumission des ordres en créant un "couloir" de prix autour d'un niveau donné pour chaque contrat. Ce couloir est constitué d'un cours acheteur limite et d'un cours vendeur limite.

Web site: [www.nyx.com/liffe](http://www.nyx.com/liffe)

**Les marchés dérivés d'Euronext ("Liffe")** comprennent les marchés dérivés gérés par Euronext Amsterdam, Euronext Bruxelles, Euronext Lisbonne, Euronext Paris et LIFFE Administration & Management respectivement les marchés d'Amsterdam, Bruxelles, Lisbonne, Paris et Londres. Euronext fait partie du groupe NYSE Euronext.

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*Limites de Prix des contrats Futures :*

- 2.3 Pour les contrats Futures, le niveau donné est mentionné dans les Procédures de Négociation comme le “base level”. Ce terme a été changé pour “Price Limit Reference Price” ou “PLRP”.
- 2.4 En 2.1.3(a) des Procédures de Négociation, le changement apporté exprime plus clairement la différence d’approche lors de la détermination du “Price Limit Reference Price” entre l’échéance la plus traitée, le “blue contract month” et les autres échéances.

*Limites de Prix des contrats d’options :*

- 2.5 Les limites de prix des contrats d’options fonctionnent à peu près de la même manière que celles des contrats Futures. Les changements apportés aux Procédures de Négociation 2.1.6 et 2.1.10 ont pour but de mieux présenter la méthodologie de gestion des limites de prix des contrats Futures et des contrats d’options.

*Globalement:*

- 2.6 La modification apportée à la Procédure de Négociation 2.1.7 précise que les Limites de Prix ne sont pas opérationnelles pendant la période de Pré-Ouverture sur tous les contrats.

**3. “Prof Transactions”:**

- 3.1 En septembre 2010, un certain nombre d’éléments des marchés d’Amsterdam et de Bruxelles de NYSE Liffe ont été harmonisés afin d’accroître les capacités de négociation des membres de ces marchés.
- 3.2 Dans ce processus d’harmonisation, la Procédure de Négociation A.7.14, qui a trait aux transactions “ Prof Transactions” du marché d’Amsterdam, a été retirée car il a été estimé qu’elle doublonnait avec la Règle 8201/2 du Livre de Règles Harmonisées (Livre I) sur le traitement des Ordres.
- 3.3 Les “Prof Transactions” n’étant pas exécutées sur le Marché Réglementé, la Procédure de Négociation A.7.14 n’aurait pas dû être retirée. En conséquence, cette Procédure de Négociation a été réintroduite en tant que nouvelle Procédure de Négociation AB.5.5A.
- 3.4 Il est rappelé aux membres que les “Prof Transactions” ne concernent que les marchés d’Amsterdam et de Bruxelles.

**4. Information complémentaire:**

- 4.1 La nouvelle version des Procédures de Négociation sera consultable sur le site Internet de NYSE Euronext ([www.nyx.com/liffe](http://www.nyx.com/liffe)) dans les meilleurs délais.

Pour toute question concernant ce Bulletin, merci de bien vouloir contacter:

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# PARIS NOTICE No. 2012 – 06

Equivalent Notices are being issued to Members of all NYSE Liffe markets.

ISSUE DATE: 1 March 2012

EFFECTIVE DATE: 9 March 2012

## REVISIONS TO THE NYSE LIFFE TRADING PROCEDURES

### Executive Summary

This Notice describes amendments to the NYSE Liffe Trading Procedures, effective on and from 9 March 2012.

### 1. Introduction

- 1.1 This Notice describes certain amendments to Section 2.1 (Price Limits) of the harmonised Part One of the NYSE Liffe Trading Procedures (“Trading Procedures”) and to Section AB.5 (Prof Transactions) of the non-harmonised Part Two of the Trading Procedures, both of which are effective on and from 9 March 2012.
- 1.2 A summary of the revisions are set out in the remainder of this Notice and the revisions themselves are shown in the Attachment to this Notice.

### 2. Price Limits

- 2.1 This section provides further clarifications on the approach to price limits by way of minor amendments to Section 2.1 of Part One of the Trading Procedures. Members should note that these revisions do not represent any adjustment to the price limit arrangements; they simply set out existing arrangements more clearly and provide more consistency between the Trading Procedures and the Price Limits and Trade Invalidation Value Ranges document, in which the price limit value ranges are set out ([www.nyx.com/price-limits](http://www.nyx.com/price-limits)).
- 2.2 Members will be aware that price limits operate to prevent manifest error in the submission of orders by creating a price “sleeve” around a given level for each Contract. This sleeve is made up of the limit bid (being the allowed spread greater than that level) and the limit offer (being the allowed spread lower than that level).

#### *Futures Price Limits*

- 2.3 For Futures Contracts, the given level is currently referred to in the Trading Procedures as the “base level”. This term has been revised to the “Price Limit Reference Price” or PLRP.
- 2.4 At Trading Procedure 2.1.3(a), the simple amendment confirms more clearly the difference in approach to the determination of the Price Limit Reference Price between the most actively traded, or “blue” contract month and all other contract months.

### *Options Price Limits*

- 2.5 Options Price Limits operate in broadly the same way as those for Futures Contracts. The amendments in Trading Procedure 2.1.6 and 2.1.10 aim to provide more consistent wording between the approach for price limits for Futures Contracts and that for Options Contracts.

### *General*

- 2.6 The amendment to Trading Procedure 2.1.7 clarifies that Price Limits are not operational during the Pre-Open period for all contracts.

## **3. Prof Transactions**

- 3.1 In September 2010, a number of elements of the Amsterdam and Brussels markets of NYSE Liffe were harmonised in order to increase trading opportunities for Members of those Markets.
- 3.2 As part of the harmonisation process, Trading Procedure A.7.14, which related to Prof Transactions on the Amsterdam Market, was removed as it was believed that this procedure was covered by Rule 8201/2 of the Harmonised Rule Book (Book I) which relates to Order Processing.
- 3.3 As Prof Transactions are not executed on the Regulated Markets, Trading Procedure A.7.14 should not have been removed. As a result, this Trading Procedure will be reinstated as new Trading Procedure AB.5.5A.
- 3.4 Members should note that Prof Transactions only relate to the Amsterdam and Brussels markets.

## **4. Further information**

- 4.1 The updated Trading Procedures will be made available on the NYSE Euronext website ([www.nyx.com/liffe](http://www.nyx.com/liffe)) in due course.

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**NYSE Liffe Trading Procedures**

(new text underlined, deleted text ~~struck through~~)

**PART ONE - SECTION 2 – THE OPERATION OF LIFFE CONNECT®**

**2.1 Price limits**

2.1.1 Throughout each LIFFE CONNECT® trading session and during the Pre-Open period, price limits for Futures Contracts will be calculated from ~~a base level~~ the Price Limit Reference Price (“PLRP”): the limit bid being the allowed spread greater than the ~~base level~~ PLRP and the limit offer being the allowed spread lower than the ~~base level~~ PLRP.

2.1.2 The ~~base level~~ PLRP is calculated using one of the following two methods:

- (a) Central Order Book price method;
- (b) theoretical fair value method.

2.1.3 In respect of the Central Order Book price method, the ~~base level~~ PLRP is:

- (a) for the most actively traded (“blue”) contract month only:
  - (i) prior to the first trade, the mid point between the best bid and offer; or
  - (ii) the last traded price; or
  - (iii) a bid above or an offer below the last traded price;
- (b) for all other contract months, the fair value as derived from outright and implied spread relationships with the blue month.

2.1.4 In respect of the theoretical fair value method, the ~~base level~~ PLRP is the price of the underlying plus the cost of carry for each contract month, as calculated by the Relevant Euronext Market Undertaking. The theoretical fair value method may be used for futures contracts where there is limited central market activity.

2.1.5 [Deleted].

2.1.6 For Options Contracts, the Relevant Euronext Market Undertaking will calculate a theoretical fair value price (the PLRP) for each series. The theoretical fair value price will generate a spread value range which is

then employed by the Trading Host as the price limit for the option series concerned. The spread range is calculated either by reference to the fair value price or the applicable option delta value.

- 2.1.7 Subject to Trading Procedure 2.1.9, attempts to trade or, during the Pre-Open period where applicable, to enter orders, outside the prevailing price limits in the relevant contract/expiry month will be rejected by the Trading Host. The Trading Host will send a message to the Member via the relevant ITM to inform him of the rejection.
- 2.1.8 The permitted spreads for price limits for each contract/expiry month will be determined from time to time by the Relevant Euronext Market Undertaking. Such spreads may be adjusted to reflect market conditions with the objective of preventing the execution of any orders submitted to the Trading Host with manifest pricing errors and/or at unrepresentative price levels.
- 2.1.9 In response to volatile market conditions, Market Services may, at its discretion, remove the restriction on the entry of orders outside the prevailing price limits.
- 2.1.10 Price limit value ranges and the ~~base level~~ PLRP calculation method (Futures Contract) and spread value range reference method (Options Contracts) are published on the NYSE Euronext website.

## **PART TWO – SECTION 6 – TRADING PROCEDURES IN RELATION TO THE AMSTERDAM AND BRUSSELS MARKETS**

### **AB.5 Prof Transactions**

AB5.5A In respect of multiple clients, members are permitted under certain circumstances to execute a batch order relating to asset management activities as a Prof Transaction. The aforementioned is allowed under the following circumstance:

- (a) the client agreement between the Member and the non-professional investor must permit participation in Prof Transactions; and
- (b) the non-professional investor must be fully aware of the non-standard features of trading on unregulated markets and of Prof Transactions; and
- (c) asset management agreements must have been signed beforehand.