

AMSTERDAM NOTICE No. 08/001

Amsterdam market

ISSUE DATE: 15 January 2008
EFFECTIVE DATE: 1 January 2008

Amendment of reporting time requirements for Prof Transactions

Executive summary

As from 1 January 2008, retroactively, the reporting time requirement for Prof Transactions in the Amsterdam derivatives market will be amended.

1. Following extensive market consultation and approval from the Netherlands Authority for the Financial Markets (AFM), this Notice informs Members of amendments to the Liffe Trading Procedure A 7.15 and Amsterdam Notice 05/019 in respect of Prof Transactions in the Amsterdam derivatives market.
2. The changes to this Trading Procedure shall be effective on and from 1 January 2008, retroactively.
3. In revising the reporting time requirements for Prof Transactions, Liffe has sought to strike an appropriate balance between the practical needs of Members on the one hand and the requirements and expectations of regulatory and market authorities in relation to post-trade transparency on the other.
4. Details of Prof Transactions must be reported within a time set by Liffe, which was previously a maximum of one hour from the time the first trade intention was submitted to LIFFE CONNECT® to the subsequent matching trade intention.
5. With effect from 1 January 2008 onwards, the time period of one hour will commence as soon as the order has been completely filled, i.e. after the *final* counterpart of the (collected) Prof Transaction has submitted the last trade intention to LIFFE CONNECT®. Attached to this Notice is an example of the amended reporting time requirements.

6. Notwithstanding the time period allowed to report Prof Trades to Liffe, Members are reminded that Prof Transactions should still be submitted without delay on the part of the Member and no later than one hour for outright, strategy or delta neutral trades grouped together as a package using a single Package ID.
7. Trade intentions that are not matched by 18:15 hours CET shall be cancelled automatically.
8. Liffe Market Services will check whether Prof Transactions are executed in compliance with the reporting time requirements.
9. Liffe is mindful of the practical problems that can arise for Members when seeking to comply with predetermined reporting requirements. In terms of enforcement policy, Liffe does not intend, as a general matter, to instigate enforcement action in respect of isolated, unintentional breaches of the reporting requirements. For the avoidance of doubt, enforcement action may be instigated in circumstances where a Member has persistently breached the reporting time requirements or where a breach appears to have arisen through negligence or doubt.
10. Pursuant to Euronext Rule Book I, Rule 5601/1 and Euronext Rule Book I, Rule 9301/1 respectively Euronext Notice N9-01, Liffe may impose a fine on Members who repeatedly violate the reporting time requirements.

Further Information:

For further information in relation to this Notice, please contact your local account manager.

Attachment

The current reporting time requirement for prof trades requires one hour between submission of the first trade intention and the matching trade intention.

The amended reporting time requirement for prof trades requires one hour between submission of the final trade intention and the matching trade intention(s).

For example: Member A collects a trade of 1000 contracts at 4 counterparts.

Counterpart A sends in 250 contracts at 10:00 AM

Counterpart B sends in 250 contracts at 10:15 AM

Counterpart C sends in 250 contracts at 10:30 AM

Counterpart D sends in 250 contracts at 10:50 AM

The current reporting time requirement assesses the first trade intention, i.e. the complete Prof Transaction should be matched before 11:00 AM.

The amended reporting time requirement will consider the *final* trade intention. All matching trade intentions of the aforementioned example should therefor be submitted before 11:50 AM.

Please bear in mind that the accompanied Package ID should be completed as pursuant to instructions laid down in Amsterdam Notice 05/019.