

BRUSSELS NOTICE BRU 12-16

Issue Date: 20 December 2012

Effective Date: 24 December 2012

SERIES INTRODUCTION POLICY FOR INDIVIDUAL EQUITY OPTIONS

Executive Summary

This Notice informs Members of an adjustment of the series policy for initially introduced series in Individual Equity Option contracts with effect from Monday 24 December 2012.

1. NYSE Liffe will adjust the series policy for initially introduced series in Individual Equity Option contracts with effect from Monday 24 December 2012. The changes to the series policy are described below in detail.
2. The series policy determines the series intervals based on the remaining lifetime of the maturity and can use multiple intervals per maturity. By definition the intervals will be smaller for series with a shorter remaining lifetime compared to the series with a longer remaining lifetime. Next to that the interval for the around the money series will be smaller compared to the interval for the deep in the money and deep out of the money series of a specific maturity.
3. Series that have a remaining lifetime exceeding six months will be introduced as multiples of standard series intervals resulting in more rounded series to be introduced. Next to that the ranges in the Harmonised Interval Scheme have been slightly adjusted.
4. The interval Scales A and B are only applicable to the Weekly option classes and those option classes with the same underlying value as the Weekly option classes.
5. The following table shows the intervals used for initially introduced series:

Harmonised Interval Scheme denominated in Euro									
Individual Equity Options									
Range	Exercise Prices in EUR	Exercise Prices Interval Scales in EUR							
		Scale A	Scale B	Scale C	Scale D	Scale E	Scale F	Scale G	Scale H
1	0.10 - < 5.00	0.1	0.2	0.1	0.2	0.4	0.2	0.5	1
2	5.00 - < 10.00	0.1	0.2	0.2	0.4	0.8	0.5	1	2
3	10.00 - < 30.00	0.2	0.5	0.5	1	2	1	2	5
4	30.00 - < 60.00	0.5	1	1	2	4	2	5	10
5	60.00 - < 100.00	1	2	2	4	8	5	10	20
6	100.00 - < 200.00	2	5	5	10	20	10	20	50
7	200.00 - < 400.00	5	10	10	20	40	20	50	100
8	≥ 400.00	10	20	20	40	80	50	100	200

The Euronext Derivatives Markets comprise 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. Euronext is part of the NYSE Euronext group.

- 6. The series policy also determines the **minimal** number of initially introduced series. The number of series is set per maturity and can differ per remaining lifetime. The initially introduced series with a remaining lifetime less than and including 1 week are only applicable to the Weekly option classes and those option classes with the same underlying value as the Weekly option classes.
- 7. The initially introduced series with a remaining lifetime less than 1 month will follow a different introduction policy compared to the series with a remaining lifetime exceeding 1 month and not exceeding 3 months. This will allow for more series to be introduced with a smaller interval around the at-the-money series close to expiry.
- 8. The following table shows the initially introduced number of series per maturity:

Harmonised Series Listing Policy							
Individual Equity Options							
	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> II I ATM Scale A I II </div>	<div style="display: flex; align-items: center; justify-content: center;"> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin-right: 5px;"> III Scale B II I ATM Scale A I II III Scale B </div> </div>	<div style="display: flex; align-items: center; justify-content: center;"> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin-right: 5px;"> III Scale D II I ATM Scale C I II III Scale D </div> </div>	<div style="display: flex; align-items: center; justify-content: center;"> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin-right: 5px;"> III Scale D II I ATM Scale C I II Scale D III </div> </div>	<div style="display: flex; align-items: center; justify-content: center;"> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin-right: 5px;"> III Scale G II I ATM Scale F I II Scale G III </div> </div>	<div style="display: flex; align-items: center; justify-content: center;"> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin-right: 5px;"> II Scale H I ATM Scale G I II Scale H </div> </div>	<div style="display: flex; align-items: center; justify-content: center;"> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin-right: 5px;"> II Scale H I ATM Scale G I II Scale H </div> </div>
Time to maturity	2 days	1 week	1 month	2,3 months	6,9,12 months	18,24,36 months	48,60 months

- 9. In the situation of high volatile market circumstances NYSE Liffe might decide to double the series intervals for a certain remaining lifetime or group of remaining lifetimes or introduce additional series.
- 10. In order to ensure the most appropriate series are introduced for all Individual Equity Option contracts NYSE Liffe will continue to monitor the series policy and reserves the right to deviate from and amend the initial series introduction policy if market conditions require to do so.

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

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