

**BRUSSELS NOTICE No. 10-03**

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**GUIDELINES TRADING FEE ADJUSTMENT DUE TO CORPORATE ACTIONS**

**Executive Summary**

NYSE Liffe would like to inform its Members on the guidelines with regards to trading fee adjustment due to corporate actions.

This notice details the guidelines for adjusting the trading fee when contract specifications are changed due to corporate actions.

1. Contract specifications or a position can be adjusted due to corporate actions. If this occurs, the trading fee is adjusted to counter the extra costs that occur when an enlarged position is closed or to offer the possibility to close contracts with a non-standard contract size against reduced costs.
2. The clearing fee adjustments are published by LCH.Clearnet S.A. on their website [http://www.lchclearnet.com/member\\_notices/](http://www.lchclearnet.com/member_notices/).
3. There is a large number of different corporate actions that cause adjustments to existing contracts or positions. Most of these adjustments can be classified in three main groups; each group has a specific fee adjustment. These three groups are:

Adjustment	Description	Example corporate action
<b>Multiplication position</b>	The open interest is adjusted by using the ratio	Stock split
<b>O-class</b>	When application of the ratio results in a non-standard number of underlying shares (lot size), an O-class is created	Rights issue, special dividend
<b>Basket of shares</b>	The original underlying share is substituted by a package of shares of different companies. For this type of adjustment an O-class with more than 1 underlying value (the basket) can be created.	Spin off, demerger

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

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.

4. The guidelines for adjusting the trading fee due to corporate actions are described below:

**Non-member transactions (client account)**

	NYSE Liffe Trading fee per contract									
	Fee adjustment	Period of adjustment								
<b>Multiplication position</b>	Fee divided by split factor for closing transaction	Until and including the expiry day of the second month in the quarterly cycle (March, June, September, December) that is listed at time of the corporate action.								
<b>O-class</b>	<table border="1"> <thead> <tr> <th>Lot size</th> <th>Fee closing transaction</th> </tr> </thead> <tbody> <tr> <td>≤ 40</td> <td>no fee</td> </tr> <tr> <td>41 ≤ 80</td> <td>fee divided by 2</td> </tr> <tr> <td>81 ≤ 100</td> <td>fee unchanged</td> </tr> </tbody> </table>	Lot size	Fee closing transaction	≤ 40	no fee	41 ≤ 80	fee divided by 2	81 ≤ 100	fee unchanged	Until and including the expiry day of the second month in the quarterly cycle (March, June, September, December) that is listed at time of the corporate action.
Lot size	Fee closing transaction									
≤ 40	no fee									
41 ≤ 80	fee divided by 2									
81 ≤ 100	fee unchanged									
<b>Basket of shares</b>	No fee for closing transaction	Until and including the expiry day of the second month in the quarterly cycle (March, June, September, December) that is listed at time of the corporate action.								

**Member transactions (house and market maker account)**

	NYSE Liffe Trading fee per contract									
	Fee adjustment	Period of adjustment								
<b>Multiplication position</b>	Fee divided by split factor for all transactions	30 days (1 month)								
<b>O-class</b>	<table border="1"> <thead> <tr> <th>Lot size</th> <th>Fee for all transactions</th> </tr> </thead> <tbody> <tr> <td>≤ 40</td> <td>no fee</td> </tr> <tr> <td>41 ≤ 80</td> <td>fee divided by 2</td> </tr> <tr> <td>81 ≤ 100</td> <td>fee unchanged</td> </tr> </tbody> </table>	Lot size	Fee for all transactions	≤ 40	no fee	41 ≤ 80	fee divided by 2	81 ≤ 100	fee unchanged	Until and including the expiry day of the second month in the quarterly cycle (March, June, September, December) that is listed at time of the corporate action.  <u>For liquidity providers:</u> until the end of the lifetime of the O-class
Lot size	Fee for all transactions									
≤ 40	no fee									
41 ≤ 80	fee divided by 2									
81 ≤ 100	fee unchanged									
<b>Basket of shares</b>	No fee adjustment	Not applicable								

Note: The adjusted trading fee will be rounded up to whole eurocents.

5. When a corporate action requires a fee adjustment, the exact trading fee adjustment will be announced via a notice. Specific circumstances or unforeseen types of corporate action may cause NYSE Liffe to deviate from the guidelines.

For further information regarding this notice, Members should contact

Quality of Derivative Markets tel +31 (0) 20 550 4296  
 email [CorporateActionsTeam@nyx.com](mailto:CorporateActionsTeam@nyx.com)).