



NYSE LIFFE US NOTICE No. 25/2013 - CORRECTED

ISSUE DATE: September 19, 2013
EFFECTIVE DATE: October 7, 2013

NYSE Liffe US – Listing of Futures on NYSE Arca Gold Miners Index

Summary

This Notice provides Members with a summary of product specifications and certain key processes and procedures associated with NYSE Liffe US's launch of Futures on the NYSE Arca Gold Miners Index commencing with the October 7, 2013 Trading Session. In addition, attached to the Notice is new Rule Chapter 29, which is being added to the Exchange's Rulebook setting forth the contract specifications for the new Contracts and related technical amendments.

1. Introduction and Background

- 1.1 NYSE Liffe US will list for trading Futures on the NYSE Arca Gold Miners Index ("NYSE Arca Gold Miners Index Futures") effective trade date October 7, 2013.
- 1.2 NYSE Liffe US has selected the Options Clearing Corporation ("OCC") as its Clearing Service Provider for NYSE Arca Gold Miners Index Futures pursuant to Chapter 11 of the Exchange's Rules.

2. Launch of Trading and Trading Hours

- 2.1 Trading in NYSE Arca Gold Miners Index Futures will commence at 3:00am NY/2:00am Central Time on October 7, 2013.
- 2.2 From there on and subject to the Exchange's holiday calendar, NYSE Arca Gold Miners Index Futures will be open for trading daily during the following hours:

Contract Name	Trading Hours (NY time)
NYSE Arca Gold Miners Index Futures	3:00am-5:00pm

- 2.3 The NYSE Arca Gold Miners Index Futures will follow the Domestic Equity Index Futures holiday calendar set forth in NYSE Liffe US [Notice 01/2013](#).

3. Contract Months Available for Trading

- 3.1 At launch, the following contract months will be available for the trading in the NYSE Arca Gold Miners Index Futures: December 2013, March 2014, June 2014, and September 2014.
- 3.2 Thereafter, the Exchange will make contract months available for trading in NYSE Arca Gold Miners Index Futures on the following basis: At the opening of trading during the Trading Session following the expiration of a contract, the Exchange will list the next available quarterly contract month in the March/June/September/December calendar cycle so that at the opening of trading for each Trading Session there are four contract months in NYSE Arca Gold Miners Index Futures.

4. Daily and Final Settlement Times and Procedures

- 4.1 Daily settlement will take place for NYSE Arca Gold Miners Index Futures at 4:00 pm NY/ 3:00 pm Central.
- 4.2 To establish the official daily settlement prices for the NYSE Arca Gold Miners Index Futures, the Exchange will primarily utilize a volume weighted average price process (“VWAP”) during the last minute of trading prior to settlement (“closing range”) in a particular trading session. Since the settlement time is 4:00 PM NY Time, the settlement price for each trading session will be determined based on trades that occur from 3:59 to 4:00 PM NY Time.
- 4.3 To determine the VWAP during a particular closing range, the Exchange will use the following formula:

$$P_{\text{VWAP}} = \frac{\sum_j P_j \cdot Q_j}{\sum_j Q_j}$$

where:

P_{VWAP} = Volume Weighted Average Price

P_j = price of trade j

Q_j = quantity of trade j

j = each individual outright trade that takes place during the closing range

- 4.4 In calculating settlement prices, the Exchange may, in its sole discretion, take into consideration the prevailing bid and offer prices in the contracts, as well as the prevailing spread values between Delivery Months, Index levels and prices in related markets.
- 4.5 Final settlement price upon expiration will be determined at approximately 4:30 pm NY/ 3:30 pm Central Time on the third Friday of the contract month.

4.6 Final settlement price upon expiration of NYSE Arca Gold Miners Index Futures will be the closing value of the NYSE Arca Gold Miners Index on the expiration date. The final settlement value will be rounded to the nearest one cent (\$.01).

5. Exchange and Clearing Fees

5.1 CTI 1, 2, and 3 transactions will be subject to an Exchange Fee of \$0.50 per contract per side. CTI 4 transactions will be subject to an Exchange Fee of \$1.00 per contract per side.

5.2 A surcharge of \$0.25 per contract per side will apply to Block and Exchange for Related Positions (“EFRP”) transactions.

5.3 Standard OCC fees will apply. The OCC schedule for fees may be found on the OCC web site www.theocc.com.

5.4 All transactions in the NYSE Arca Gold Miners Index Futures will be subject to a NYSE Liffe US clearing fee of \$0.03 per lot per side.

6. Position Limits and Reportable Positions

6.1 Pursuant to NYSE Liffe US Rules 419 and 420 and 2903(e), the Exchange has determined that the following speculative position limit and reportable futures levels will apply:

Contract Name	Position Limit (All months combined)	Reportable Futures Level
Futures on Gold Miners Index	10,000	200

7. Block Trading and EFRP Facilities

6.1 The Exchange permits Block Trade transactions in accordance with Exchange Rule 423 and EFRPs in accordance with Exchange Rule 422, and the Exchange’s procedures.

6.2 Block Trades will be permissible in NYSE Arca Gold Miners Index Futures in both outright and strategy transactions, in all delivery months available for trading on the NYSE Liffe US Trading Platform. The minimum number of Contracts per Block Trade transaction are as follows:

Contract Name	Minimum Number of Contracts
Futures on NYSE Arca Gold Miners Index	25

6.3 Strategy transactions in any of the NYSE Arca Gold Miners Index Futures may be executed as Block Trades provided that the aggregate of the legs of the transaction meet or exceed the minimum number of Contracts per Block Trade transaction.

- 6.4 NYSE Liffe US [Notice 6/2009](#), as supplemented by NYSE Liffe US Notices [15/2010](#), and [28/2011](#), and [16/2013](#) provide guidance for the submission of Block Trades. Members are reminded that they are required to accurately make any post trade adjustments associated with the correct reporting of account information for Block Trades in their back office software before the end of the trading day.
- 6.5 EFRPs will be permitted for NYSE Arca Gold Miners Index Futures in outright transactions in all delivery months available for trading on the NYSE Liffe US Trading Platform.
- 6.6 With respect to NYSE Arca Gold Miners Index Futures, the following is a list (which is not intended to be exhaustive) of products that the Exchange deems to be satisfactorily related to NYSE Arca Gold Miners Index Futures for the purpose of compliance with applicable regulatory requirements for EFRPs, assuming that the notional amount and tenor of the related transaction are sufficiently related:

Futures	Related Product
NYSE Arca Gold Miners Index Futures	Van Eck Gold Miners ETF (GDX)

- 6.7 NYSE Liffe US [Notice 4/2009](#), as supplemented by NYSE Liffe US Notices [21/2009](#), [15/2010](#), and [8/2011](#), set forth the procedure for the submission of EFRP trades via the NYSE Liffe US Trading Platform. These will be able to be submitted using the “Against Actuals” order type on the Trading Platform. The exact order type must be identified by populating the Transaction Code field within the Trading Platform Application Programming Interface API as follows:

Transaction Code	Trade Type
01 or Blank	Exchange for Physical
02	Exchange of Futures for Related Positions
03	Exchange of Futures for Futures
04	Exchange for Swaps

8. Initial Margin Levels and Available Offsets

- 8.1 The Exchange and Exchange’s Clearing Service Provider, OCC, set and have the authority to amend minimum customer initial margin levels and variation margin levels for the NYSE Arca Gold Miners Index Futures from time to time based on market conditions in accordance with Rules 516 through 521 and applicable OCC Rules. Margin levels may be found on the Exchange’s web site at: <https://globalderivatives.nyx.com/en/nyse-liffe-us/margin-requirements>.
- 8.2 Margin charged to Clearing Members is set by OCC as the Exchange’s Clearing Service Provider pursuant to the OCC’s margin methodology which is described on its website at the following link: <http://theocc.com/risk-management/margins/>.

9. Dynamic Price Limits and No Bust Ranges

- 9.1 NYSE Liffe US [Notice 09/2008](#), issued on September 4, 2008, as amended by NYSE Liffe US [Notice 18/2010](#), informed Members of the Error Trade Policy and Trade Cancellations and Price Adjustments.
- 9.2 All incoming orders are subject to dynamic price limit levels. These are put in place to prevent the execution of orders with manifest pricing errors. For Futures Contracts, dynamic price limits are calculated from a base level which itself is calculated from a combination of the last trade and the mid-point between the bid and offer for the most actively traded front month and for the back Delivery Months with reference to spread relationships with the front Delivery Month.
- 9.3 Dynamic price limits are monitored throughout the entire trading day, including pre-open, and may be adjusted by the Exchange to reflect current market conditions. Orders submitted that fall outside price limits will automatically be rejected by the Trading Engine, and the originating trader will be notified via their front end trading application.
- 9.4 The following thresholds will be set as the dynamic price limits and No Bust Ranges for NYSE Arca Gold Miners Index Futures, expressed in ticks from the current base level:

Contract Name	Dynamic Price Limit
Futures on NYSE Arca Gold Miners Index	+/- 25

10. Matching Algorithm

- 10.1 NYSE Arca Gold Miners Index Futures will be matched by the NYSE Liffe US electronic trading system according to price/time priority.
- 10.2 Market Participants can find additional details on the matching algorithms employed by all products listed on NYSE Liffe US at the following link:
http://globalderivatives.nyx.com/sites/globalderivatives.nyx.com/files/matchingalgorithms_130122b.pdf

11. Implied Trading Functionality

- 11.1 NYSE Liffe US [Notice 01/2008](#) described the implied trading functionality available on the NYSE Liffe US electronic trading system.
- 11.2 At launch, the following implied trading functionality will be enabled on NYSE Arca Gold Miners Index Futures: “Implied In” (i.e. from outright to strategy market) for calendar spreads, and “Implied Out” (i.e. from strategy to outright market) for calendar spreads.

Members who have questions or seek additional information in respect of this Notice should contact:

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