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OFFICE OF THE SECRETARY

Karl D. Cooper
Chief Regulatory Officer
NYSE Liffe U.S.
20 Broad Street, 10th Floor
New York, NY 10005
T +1 212 656 4300

By Electronic Mail

March 25, 2009

Mr. David A. Stawick
Secretary
Commodity Futures Trading Commission
1155 21st Street NW
Washington DC 20581

Re: 2009-105 NYSE Liffe, LLC -- Implementation of Block Trading Facility

Dear Mr. Stawick:

I am the Chief Regulatory Officer of NYSE Liffe, LLC ("NYSE Liffe US"). Pursuant to U.S. Commodity Futures Trading Commission Rule 40.6, I enclose a Cover Sheet and NYSE Liffe US Notice 6/2009. Notice 6/2009 announces the availability of Block Trading functionality, the applicable minimum threshold, and related details, starting as of the March 30, 2009 Trading Session. In addition, it amends NYSE Liffe US Rule 423, by deleting sub-section (e) of Rule 423, to prohibit the execution of Block Trades while the Exchange is closed.

NYSE Liffe US hereby confirms that Notice 6/2009 and the above-described amendment to Rule 423 comply with the Commodity Exchange Act and the Regulations thereunder.

If you have any questions, please call me at (212) 656-4568.

With best regards,

Karl D. Cooper

Enclosures



NYSE LIFFE U.S. NOTICE No. 6/2009

ISSUE DATE: March 25, 2009
EFFECTIVE DATE: March 30, 2009

NYSE Liffe U.S. – Implementation of Block Trading Facility

Summary

This Notice announces the availability of Block Trading functionality, the applicable Block Trade minimum threshold, and related details, starting as of the March 30, 2009 Trading Session. In addition, Rule 423 is amended to prohibit the execution of Block Trades while the Exchange is closed.

1. Introduction

- 1.1 Rule 423 requires the Exchange to designate those contracts that are eligible for Block Trade transactions. This Notice updates and amends Notice 1/2008, in which the Exchange announced that no Contracts were eligible for Block Trading. Effective starting with the March 30, 2009 Trading Session, Block Trades will be a permitted method for executing transactions in 100 ounce Gold Futures and 5,000 ounce Silver Futures, subject to the Rules of the Exchange, including but not limited to, Rule 423.

2. Contracts Designated For Block Trading

- 2.1 At this time, the Exchange is limiting the designation of Contracts allowable for Block Trades to the 100 ounce Gold Futures Contracts and the 5,000 ounce Silver Futures Contracts. For both Contracts, Block Trades will be permissible in both outright and calendar spread transactions, in all delivery months available for trading on the NYSE Liffe US Trading Platform.

3. Minimum Threshold

- 3.1 The minimum number of Contracts of a permitted Block Trade is 100 Contracts for outright transactions.
- 3.2 The minimum number of Contracts of a permitted calendar spread that may be executed as a Block Trade is 100 spreads. For the avoidance of doubt, in the case of a calendar spread, both legs must be for 100 contracts or more.

4. Limited Eligible Parties,

- 4.1 Generally, Block Trades may only be entered into by (i) Eligible Contract Participants, as that term is defined under Section 1a(12) of the Commodity Exchange Act, or (ii) certain Commodity Trading Advisers, Investment Advisers or Persons authorized to provide similar advisory functions outside the United States, who, in each case, have total assets under management exceeding \$25 million. See Rule 423(a) for all pertinent details.

5. Permission to Execute Order as a Block Trade and Recordkeeping

- 5.1 For an order to be executed either in whole or in part as a Block Trade, the person placing the order must communicate that the order may be executed as a Block Trade.
- 5.2 The fact that the person placing the order communicated that the order may be executed as a Block Trade must be included in the record or records kept for the order. Members should consider whether their recordkeeping procedures are adequate to record this fact as well as document the other details required to be recorded under Rule 423(h). See Rule 423(h) for a complete list of details to be included in the required recordkeeping for a Block Trade.

6. Price Must Be Fair and Reasonable

- 6.1 A Member or Registered User that is negotiating or executing a Block Trade must ensure that the price quoted is fair and reasonable in light of (i) the size of the Block Trade, (ii) the prices and sizes of other transactions in the same Contract at the relevant time, (iii) the prices and sizes of transactions in other relevant markets, and (iv) the circumstances of the parties to the Block Trade.

7. Time of Report and Execution of Block Trade

- 7.1 Block Trade transactions must be reported as required in sub-section (d) of Rule 423. Generally, Block Trades must be reported within 15 minutes of execution. However, Block Trades may not be reported during the last 15 minutes prior to the Contract's Trading Session close time. Accordingly, any Block Trades executed between 30 and 16 minutes prior to the Trading Session close must be reported before the final 15 minute period before the Trading Session close. See Rule 423(d) for all applicable requirements.
- 7.2 Rule 423 is amended to prohibit the execution of Block Trades while the Exchange is closed. Sub-section (e) is hereby deleted and sub-sections (f) through (j) are renumbered as (e) through (i). For the avoidance of doubt, Block Trades may not be executed during the final 15 minutes of a Trading Session, and continuing through the ensuing period during which the Exchange is closed until the opening of the next Trading Session.

8. Members Required to Report and Contents of Report

- 8.1 For Block Trades (i) between two Members, (ii) between a Customer or Noncustomer of one Member and a second Member, or (iii) between a Customer or Noncustomer of one Member and the Customer or Noncustomer of a second Member, the Exchange requires both Members to report the Block Trade.
- 8.2 Members that are required to report must submit their reports through the Block Trading function on the NYSE Liffe US Trading Platform. The system should automatically capture the reporting Member's ID and the ITM being used to access the NYSE Liffe US Trading Platform. The relevant Responsible Person should ensure that each Block Trade report include at least the following additional details:
- The futures contract commodity code;
 - The delivery month(s);
 - The volume (of each leg, if applicable); and
 - The price of the trade (or each leg of the trade, if applicable).

9. Exchange Review of Reports, Posts to the NYSE Liffe US Trading Platform

- 9.1 The Exchange reviews Block Trade reports submitted by the Member(s) and will post the Block Trade to the NYSE Liffe US Trading Platform if the details appear to comply with the requirements of Rule 423. The review will primarily focus on price and volume to see if they appear to comply with Rule 423's fair and reasonable requirement for the Block Trade's price.
- 9.2 Decisions by the Exchange's Market Operations staff to reject a submitted Block Trade are final. If the Block Trade is rejected the trade is void, and the trade will not pass to clearing to either open or close positions held by or for the parties to the Block Trade.
- 9.3 The Exchange's decision to post a Block Trade does not represent the Exchange's approval that the trade is compliant with Rule 423 or any other Exchange Rule. Members and Registered Users are ultimately responsible to ensure their own compliance with Rule 423 and the other Rules of the Exchange.

10. Other Requirements and Violations of Rule 423

- 10.1 Each party to a Block Trade must comply with all applicable Rules of the Exchange other than those which by their terms only apply to trading through the NYSE Liffe US Trading Platform. For example, positions created or increased as a result of a Block Trade must comply with the position limits applicable to the Contract and Delivery Month traded.
- 10.2 Members and Registered Users are reminded that any Block Trade in violation of these requirements will constitute conduct inconsistent with just and equitable principles of trade.

11. Text of Rule 423 as amended

- 11.1 For Members' convenience, the full text of Rule 423 as amended is set forth below. Deleted language is shown in strikethrough text, and added language is underscored:

(a) Members may enter into transactions outside the NYSE Liffe US Trading Platform, at prices mutually agreed, with respect to Contracts that have been designated by the Exchange for such purpose, *provided* all of the following conditions are satisfied (such transactions, "Block Trades"):

(i) Each buy or sell order underlying a Block Trade must (A) state explicitly that it is to be, or may be, executed by means of a Block Trade and (B) be for at least such minimum number of Contracts as will from time to time be specified by the Exchange; *provided* that only (x) a commodity trading advisor registered under the CEA, (y) an investment adviser registered as such with the Securities and Exchange Commission that is exempt from regulation under the CEA and Commission Regulations thereunder and (z) any Person authorized to perform functions similar or equivalent to those of a commodity trading advisor in any jurisdiction outside the United States in which the Exchange may be permitted from time to time to operate NYSE Liffe US Workstations, in each case with total assets under management exceeding US \$25 million, may satisfy this requirement by aggregating orders for different accounts.

(ii) Each party to a Block Trade must qualify as an "eligible contract participant" (as such term is defined in Section 1a(12) of the CEA); *provided* that, if the Block Trade is entered into on behalf of Customers by (A) a commodity trading advisor registered under the Act, (B) an investment adviser registered as such with the Securities and Exchange Commission that is exempt from regulation under the Act

and Commission Regulations thereunder or (C) any Person authorized to perform functions similar or equivalent to those of a commodity trading advisor in any jurisdiction outside the United States in which the Exchange may be permitted from time to time to operate NYSE Liffe US Workstations, in each case with total assets under management exceeding US \$25 million, then only such commodity trading advisor or investment adviser, as the case may be, but not the individual Customers, need to so qualify.

(b) Each party to a Block Trade must comply with all applicable Rules of the Exchange other than those which by their terms only apply to trading through the NYSE Liffe US Trading Platform.

(c) When negotiating or executing a Block Trade, a Member or Registered User must ensure that the price quoted for a Block Trade represents a fair and reasonable price. The price at which a Block Trade is executed must be fair and reasonable in light of (i) the size of such Block Trade, (ii) the prices and sizes of other transactions in the same Contract at the relevant time, (iii) the prices and sizes of transactions in other relevant markets, including without limitation the underlying cash and futures markets, at the relevant time, and (iv) the circumstances of the parties to such Block Trade.

(d) Block Trades must be reported to the Exchange in a manner prescribed from time to time by the Exchange. Block Trades must be reported to the Exchange within 15 minutes after the completion of negotiations, but may not be submitted any later than 15 minutes prior to the Contract's Trading Session close time.

~~(e) Block Trades executed after the Exchange's trading hours must be reported within 15 minutes after the opening of the next Trading Session.~~

~~(f e)~~ For Block Trades between two Members or Customers or Noncustomers of one or both of the Members, the Exchange requires both Members to report the Block Trade.

~~(g f)~~ The Exchange will review the information submitted by the Member(s) for the Block Trade and will post the Block Trade to the NYSE Liffe US Trading Platform if the details are complete and accurate in accordance with this Rule. The Exchange will immediately publicize information identifying the trade as a Block Trade and identifying the relevant Contract, contract month, price or premium, quantity and, if applicable, whether the transaction involved a put or a call and the strike price.

~~(h g)~~ Block Trade prices will not trigger unexecuted Orders.

~~(i h)~~ Each Member that is party to a Block Trade must record the following details on its order ticket: the Contract (including the Delivery Month) to which such Block Trade relates; the number of Contracts traded; the price of execution or premium; the time of execution; the identity of the counterparty; and, if applicable, details regarding the Customer or Noncustomer for which the Block Trade was executed, the Underlying Commodity, whether the transaction involved a put or a call and the strike price. Upon request by the Exchange, such Member must produce satisfactory evidence, including the order ticket referred to in the preceding sentence that the Block Trade meets the requirements set forth in this Rule 423.

~~(j i)~~ Any Block Trade in violation of these requirements will constitute conduct which is inconsistent with just and equitable principles of trade.

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

Market Regulation	1 212 656 4300	nyseliffe@nyx.com
Front-line surveillance	(+1) 866 933 5032	NYLOperations@nyx.com
Administration	(+1) 866 592 2693	NLmarketservices@nyx.com
New York Office	1 212 656 4300	nyseliffe@nyx.com
Chicago Office	1 312 442 7730	nyseliffe@nyx.com