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By Electronic Mail

May 25, 2011

Mr. David A. Stawick
Office of the Secretariat
U.S. Commodity Futures Trading Commission
1155 21st Street, N.W.
Washington, D.C. 20581

**Re: NYSE Liffe US Submission 2011-117 – Open Interest Incentive
Program – Interest Rate Futures**

Dear Mr. Stawick:

I am the Chief Regulatory Officer of NYSE Liffe US LLC (“NYSE Liffe US”). Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the “Act”), and U.S. Commodity Futures Trading Commission Regulations (the “Regulations”) Section 40.6, I enclose a Cover Sheet for NYSE Liffe US Submission 2011-117 and NYSE Liffe US Notice 19/2011. Notice 19/2011 announces NYSE Liffe US’s launch of its Open Interest Incentive Program for Interest Rate Futures (the “OII Program”).

NYSE Liffe US hereby certifies that the OII Program and Notice 19/2011 comply with the Commodity Exchange Act and the Regulations promulgated thereunder.

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

Respectfully,

Karl D. Cooper

Enclosures



NYSE LIFFE U.S. NOTICE No. 19/2011

ISSUE DATE: May 25, 2011
EFFECTIVE DATE: May 27, 2011

NYSE Liffe U.S. – Open Interest Incentive Program – Interest Rate Futures

Summary

This Notice announces an Open Interest Incentive Program for Interest Rate Futures.

1. Introduction

- 1.1 NYSE Liffe US Notice 5/2011 announced the launch of Eurodollar, Two Year Treasury Note, Five Year Treasury Note, Ten Year Treasury Note, U.S. Treasury Bond and Ultra Long U.S. Treasury Bond Futures (“Interest Rate Futures”) on NYSE Liffe US (the “Exchange”). This notice (this “Notice”) announces the launch of the Exchange’s Open Interest Incentive Program for Interest Rate Futures (the “OII Program”).¹

2. Overview of the Open Interest Incentive Program

- 2.1 The Exchange has designed the OII Program to enhance the depth of liquidity and quality of its markets. The OII Program rewards market participants who are substantial users of the Exchange’s futures products to manage exposure to interest rate risk.
- 2.2 The OII Program is a fee discount program open to non-Members of the Exchange who complete the attached registration form (the “Participant”); provided, however, that market participants who participate in any one or more of the Exchange’s other Interest Rate Futures incentive programs may not participate in the OII Program. For the avoidance of doubt, the foregoing restriction shall not apply to any incentive program offered by any other exchange in which the Participant may participate.
- 2.3 The OII Program will expire on December 31, 2012, unless terminated earlier as set forth in Section 5 below.

3. Program Requirements

- 3.1 To qualify for the discounted fees available under the OII Program, the Participant must meet the following conditions:

¹ Any capitalized term used but not otherwise defined herein shall have the meaning ascribed to such term as set forth in the Exchange Rules.

- 3.1.1 *Stage One Qualification:* Within fifteen (15) Trading Sessions of being notified by the Exchange that the Participant has been accepted in the OII Program, the Participant must attain the minimum average end of day open interest for a three (3) Trading Session period in any one of the Interest Rate Futures set forth in Column B of the table provided in Section 3.1.3 hereof.
- 3.1.2 *Stage Two Qualification:* Within twenty-five (25) Trading Sessions of satisfying the Stage One Qualification in Section 3.1.1 hereof, the Participant must attain the minimum average end of day open interest for a five (5) Trading Session period in any one of the Interest Rate Futures set forth in Column C of the table provided in Section 3.1.3 hereof.
- 3.1.3 If the figure in either Column B or Column C of the table set forth below for the applicable Interest Rate Future is greater than the percentage of the total open interest in the market set forth in Column D for the most recent Trading Session, then the threshold required by either Column B or Column C will be reduced to the number of lots of average end of day open interest in such Interest Rate Future that represent the percentage of total end of day open interest set forth in Column D for the most recent Trading Session. For purposes of maintaining the Participant's Stage Two Benefit provided in Section 4.2 hereof, the Participant's minimum average end of day open interest must remain equal to, or greater than, the number of lots representing the percentage of total end of day open interest set forth in Column D up to the amount set forth in Column C.

A	B	C	D
Interest Rate Future	Average End of Day Open Interest Stage One	Average End of Day Open Interest Stage Two	Maximum Percentage of Market End of Day Open Interest
Eurodollar Futures	5,000	50,000	45%
Two Year Treasury Note Futures	2,500	10,000	35%
Five Year Treasury Note Futures	2,500	10,000	35%
Ten Year Treasury Note Futures	2,500	10,000	35%
U.S. Treasury Bond Futures	2,500	10,000	30%
Ultra Long U.S. Treasury Bond Futures	2,500	10,000	20%

- 3.2 The Exchange will aggregate the end of day open interest held in all accounts controlled by the Participant for purposes of calculating whether the Participant has satisfied the requirements for the Stage One Qualification or the Stage Two Qualification.
- 3.3 Positions resulting from cross-trades executed by the Participant (provided that Participant is an advisor with authority over both the buying and selling accounts) are eligible to count towards average end of day open interest as long as such trades are executed in compliance with Exchange Rules 409 and 609 and otherwise consistent with the advisor's fiduciary obligations to the owners of the accounts involved.

4. Program Benefits

- 4.1 *Stage One Benefit:* Upon satisfying the Stage One Qualification, the Participant will be entitled to a reduction in Exchange fees for the following twenty-five (25) Trading Sessions (the "Stage One Period") to the rates applicable to a Member for each Interest Rate Future in which the Participant has qualified. If the Participant does not meet the requirements for a Stage Two Qualification by the end of the Stage One Period in any one or more Interest Rate Futures, the Stage One Benefit shall expire, as set forth in Section 7.2 below.
- 4.2 *Stage Two Benefit:* Upon satisfying the Stage Two Qualification, the Participant will be entitled to a continued reduction in Exchange fees to the rates applicable to a Member of the Exchange for each Interest Rate Future in which the Participant has qualified for the remainder of the OII Program; provided that the Stage Two Qualification minimum average end of day open interest is maintained over a trailing five (5) Trading Session period immediately following the date on which the Participant satisfied the Stage Two Qualification. If the Participant's trailing five (5) Trading Session period average end of day open interest drops below the level set forth in Column C in any one or more Interest Rate Futures, the Stage Two Benefit shall expire solely with respect to such affected Interest Rate Future; provided, however, that the Participant will be entitled to one ten (10) Trading Session grace period ("Grace Period") such that if the Participant's average end of day open interest over a trailing five (5) Trading Session falls below the level set forth in Column C, the Participant will be entitled to continue receiving the Stage Two Benefit in the applicable Contract so long as the Participant's average end of day open interest over a trailing five (5) Trading Session period equals or exceeds the level set forth in Column C no later than by the end of the tenth Trading Session following the first Trading Session its average end of day open interest over a trailing five (5) Trading Session period fell below the level set forth in Column C. If the Participant's average end of day open interest over a trailing five (5) Trading Session period does not equal or exceed the level set forth in Column C by the end of the Grace Period, the Participant's Stage Two Benefit will expire as set forth in Section 7.2 below.
- 4.3 Fees for clearing and non-trade activities associated with transacting in Interest Rate Futures will continue to be subject to the fee schedules as posted on the NYSE Liffe U.S. website, <http://www.nyseliffeus.com//nyse-liffe-us-fees>, and the NYPC website http://www.nypclear.com/sites/nypc/files/Notice_001-11_Clearing_Fees.pdf. For the avoidance of doubt, the OII Program shall neither impact nor alter the customary National Futures Association assessment fees with respect to futures contracts, including, without limitation Interest Rate Futures.
- 4.4 The Exchange invoices Participants' clearing firms to collect Exchange fees on a monthly basis. Those Participants that achieve the applicable minimum end of day open interest in Column C during May 2011 shall be entitled to the Stage Two Benefit commencing with the Trading Session during which the Column C open interest threshold is first attained. Participants must maintain the minimum applicable end of day open interest for the following four Trading Sessions to continue to be eligible for Stage Two Benefits.

5. Termination and Amendment for Regulatory Reasons

- 5.1 The Exchange will monitor the impact, if any, that the OII Program has on trading on the centralized market. In the event that the Exchange reasonably identifies in good faith a deleterious effect to the centralized market, the Exchange will take appropriate action, including the amendment or termination of the OII Program, and will notify each affected Participant as promptly as practicable, but in no event later than 24 hours following such amendment or termination.

6. Compliance with Laws, Rules and Regulations

- 6.1 All members and participants in the NYSE Liffe US marketplace, including the Participants are reminded that they remain subject to all applicable laws, rules and regulations otherwise applicable to their activities, including, but not limited to, the NYSE Liffe US Rules, the Commodity Exchange Act and the rules and regulations promulgated thereunder.
- 6.2 In particular, the Participants remain subject to all applicable position accountability processes and position limits. Notwithstanding any term of the OII Program, the Participants are responsible for taking reasonable and diligent actions to effect the timely compliance with any order issued by the Chief Regulatory Officer pursuant to Rule 420 upon notification of such order by the Market Regulation Department.
- 6.3 Following the discovery that one or more transactions effected by a Participant were executed in violation of applicable law, regulation, or Exchange rule, the Exchange reserves the right to adjust any discounts previously recognized and to invoice such Participant for any discounts granted in prior months where the Participant has already been billed on a discounted basis.

7. Operational Considerations

- 7.1 In the event that the Clearing Member or Clearing Members of a Participant that has satisfied either the Stage One or Stage Two Qualifications is or are unable to charge the appropriately reduced Exchange fees called for under the Stage One or Stage Two Benefits, the Participant may request that the Exchange rebate the Participant (or the applicable accounts controlled by the Participant) monthly in arrears for the difference between the Exchange fees charged by the Clearing Member or Members and the reduced Exchange fees called for under the Stage One and Stage Two Benefits, upon the provision of appropriate documentation by the Clearing Member or Members as set forth in Section 7.3 below. For the avoidance of doubt, the foregoing rebate arrangement with respect to the Exchange fees shall only apply at the election of the Participant; neither the Exchange nor the Clearing Member shall initiate or enact such rebate, unless the Participant has requested application of the same in advance.
- 7.2 In the event that, after satisfying the Stage Two Qualification, a Participant's average end of day open interest over a trailing five (5) Trading Sessions drops below the level set forth in Column C and then does not equal or exceed the level set forth in Column C by the end of the Grace Period, such Participant's Stage Two benefits will terminate on the first business day of the following calendar month. In the event that, after satisfying the Stage One Qualification, a Participant's average end of day open interest over a trailing five (5) Trading Sessions does not equal or exceed the level set forth in Column C prior to the end of the Stage One Period, such Participant's Stage One benefits will terminate on the first business day of the following calendar month.
- 7.3 To satisfy either the Stage One or Stage Two Qualifications and maintain either Stage One or Stage Two Benefits, a Participant must authorize its Clearing Member or Members to share such account information of its own accounts, or the accounts which the Participant controls, with the Exchange to enable the Exchange to determine whether the Participant has satisfied and continues to satisfy either the Stage One or Stage Two Qualifications. If the Participant requests rebates pursuant to Section 7.1, the information provided by the Clearing Member or Members under this Section must also establish what Exchange fees have been charged by the Clearing Member or Members.

If you have any questions in respect of this Notice, please contact:

New York Office
Chicago Office

+1 212 656 4300
+1 312 442 7730

nyseliffeus@nyx.com
nyseliffeus@nyx.com

**Attachment
 NYSE Liffe US
 Interest Rate Futures
 Open Interest Incentive Program Application Form**

Participant Name	
Address	
Participant's or Participant's Clients' Account(s) with Clearing Member	
Main Contact	
Email	
Phone	
Participant's Clearing Member	
Main Contact at Clearing Member	

By signing below, the Participant agrees that its participation will subject it to the jurisdiction of the Exchange and that it will not violate any applicable law, rule, regulation, ordinance, charter, by-law or policy, including but not limited to the Commodity Exchange Act ("CEA"), the rules, regulations and interpretations issued thereunder by the U.S. Commodity Futures Trading Commission ("CFTC"), and the Rules of the Exchange.

In addition, the Participant agrees that in calculating a Participant's open interest, the Exchange may exclude open interest resulting from activity in violation of the CEA, CFTC regulations and interpretations, or the Rules of the Exchange.

Signature

Date

Name of signatory

Position

By signing this Agreement, the Participant's Clearing Member agrees to be bound by its terms (this section can be left blank where the applicant is the Clearing Member)²

Signature

Date

Name of signatory

Position

² If multiple Clearing Members are used, please complete one application for each Clearing Member.