



Marco Bianchi  
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**By Electronic Mail**

June 28, 2012

CONFIDENTIAL TREATMENT  
REQUESTED

Mr. David A. Stawick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

**Re: NYSE Liffe US Submission 2012-116 – Notice Announcing General  
Designated Market Maker Program for GCF Futures**

Dear Mr. Stawick:

I am a Senior Vice-President of NYSE Liffe US LLC (“NYSE Liffe US” or the “Exchange”). Pursuant to Section 5c(c) of the Commodity Exchange Act, as amended (the “Act”), and U.S. Commodity Futures Trading Commission (the “Commission”) Regulations (the “Regulations”) Section 40.6(a), I enclose a Cover Sheet for NYSE Liffe US Submission 2012-116 and NYSE Liffe US Notice 19/2012 which announces the establishment of the General Designated Market Maker Program for GCF Futures (“General DMM Program”) effective with the July 16, 2012, trading session.

NYSE Liffe US hereby certifies that: (i) the General DMM Program complies with the Act and the regulations thereunder and (ii) a notice and copy of this submission is being concurrently posted on the Exchange’s web site. Additionally, a concise explanation and analysis of the General DMM Program and its compliance with applicable provisions of the Act, including core principles and the Commission's regulations thereunder, is attached. No substantive opposing views were expressed by members or others with respect to the market maker program.

If you have any questions, please call me at (212) 656-4312.

Yours Truly,

Marco Bianchi  
Enclosures

**Designated Contract Market Core Principles Implicated by  
NYSE Liffe US Submission 2012-116**

<b>CORE PRINCIPLE</b>	<b>ANALYSIS</b>
<p><i>Core Principle 2: Compliance with Rules</i></p>	<p>The Exchange has carefully vetted all participants in the General DMM Program. All participants are subject to a market making agreement by which each participant agrees to abide by the Act and all rules, regulations, orders and interpretations of the CFTC and any applicable self-regulatory organization. In addition, the Exchange has the right to terminate the agreement immediately if the membership or trading rights of any market maker are suspended or if, in the opinion of the Exchange's Market Regulation Department, the market maker's activity violates any applicable law or rule. Moreover, each participant agrees to not only comply with the requirements of the program, but also all existing rules of the Exchange including Chapter 3, governing access to the Exchange's Trading Platform, Chapter 6 governing the business conduct of Exchange members and prohibiting, among other things, fraudulent acts, fictitious and pre-arranged trades, market manipulation and acts inconsistent with just and equitable principles of trade. The Exchange monitors its markets on a constant basis in real-time. In addition, through the operation of a regulatory services agreement, the National Futures Association provides to the Exchange comprehensive trade practice and market surveillance services designed to detect activities that are not in compliance with the Act, CFTC Rules, or Exchange rules and policies. Additionally, the Exchange has the authority, through Chapter 7 of the Exchange's rulebook, and the capacity to investigate any possible rule violations and, where appropriate, bring disciplinary actions and impose sanctions for any violations. Finally, the Exchange has in place effective international information sharing arrangements and has entered into accords such as the Boca Declaration and the Intermarket Surveillance Group Agreement.</p>
<p><i>Core Principle 3: Contracts not Readily Subject to Manipulation</i></p>	<p>The program does not incentivize manipulative or other abusive practices. In the Exchange's experience, programs of this type have not promoted abusive practices by participants. Further, the Exchange has policies and procedures to monitor the participants and trading in GCF Futures and to detect and prevent manipulative or abusive trading and practices.</p>

CORE PRINCIPLE	ANALYSIS
<i>Core Principle 4: Prevention of Market Disruption</i>	Trading by participants in the program, like all trading in GCF Futures, will be subject to the existing trade practice and market surveillance policies and procedures of the Exchange. As stated above, the Exchange has real-time surveillance capabilities involving both human interaction as well as technological tools. Furthermore, the Exchange staff, in coordination with National Futures Association, has the capacity to detect and respond to manipulation and price distortions in its market and the ability to provide accurate and complete trade reconstruction.
<i>Core Principle 5: Position Limits or Accountability</i>	Participants in the program will be subject to all applicable position accountability levels.
<i>Core Principle 9: Execution of Transactions</i>	Market maker programs are designed to enhance the market, providing liquidity and requiring consistent, tighter markets that tend to promote more accurate price discovery. Furthermore, the Exchange will, as it does for all such programs, monitor the impact, if any, that this particular program has on trading on the centralized market and, in the event the Exchange identifies any deleterious effect to the centralized market, will take appropriate action.
<i>Core Principle 10: Trade Information</i>	The Exchange records and maintains an audit trail with all trade information regarding trading by all market participants, including the participants in the program, necessary to monitor for customer and market abuse.
<i>Core Principle 12: Protection of Markets and Market Participants</i>	Participants in the program remain subject to all of the Exchange's rules. Chapter 6 of the Exchange's rulebook governs the business conduct of Exchange members and prohibits, among other things, fraudulent acts, fictitious and pre-arranged trades and other activities that could disadvantage their customers, as well as acts detrimental to the Exchange and inconsistent with just and equitable principles of trade. The Exchange monitors for and investigates any possible rule violations and where appropriate brings disciplinary actions and imposes sanctions for any violations by any participants in these programs.
<i>Core Principle 19: Antitrust Considerations</i>	The program will not result in any restraint of trade as it puts no restrictions on trading in other competing markets and venues.



## NYSE LIFFE US NOTICE No. 19/2012

ISSUE DATE: June 28, 2012

EFFECTIVE DATE: July 16, 2012

### Establishment of General Designated Market Maker Program for GCF Futures

#### Summary

This Notice announces the appointment of Designated Market Makers ("DMMs") in Futures on DTCC GCF Repo Index™ Products.

#### 1. Appointment of Designated Market Makers

- 1.1 Pursuant to Rule 426, NYSE Liffe US is establishing a General DMM program in Futures on DTCC GCF Repo Index™ Products ("GCF Futures") commencing with the July 16, 2012 Trading Session. The General DMM program will remain in place until the close of business on January 15, 2013. For details of the program, please see the attached program description.
- 1.2 The Exchange solicited market making proposals from a broad range of market participants. After a comprehensive vetting process that included a comparative analysis of the nature of the quoting commitments that prospective DMMs were willing to make as well as an evaluation of their ability to act as DMMs with affirmative quoting obligations, the Exchange selected certain firms as DMMs in GCF Futures.
- 1.3 All DMM appointments are subject to the terms of a contractual agreement between the Exchange and each DMM. Under the terms of the agreements, each DMM represents that its market making activity will comply with all applicable provisions of the Commodity Exchange Act, the rules and regulations of the Commodity Futures Trading Commission and the Rules of the Exchange. The Exchange will monitor each DMM's performance of market making activity under the contract and may adjust benefits otherwise due under the agreement and/or terminate the agreement if it determines the DMM has failed to perform its obligations as a DMM under the agreement.

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

New York Office  
Chicago Office

+1 212 656 4300  
+1 312 442 7730

[nyseliffeus@nyx.com](mailto:nyseliffeus@nyx.com)

## **Attachment 1**

### **General Designated Market Maker Program for GCF Futures**

#### **Eligible Participants**

- Market Participants

#### **Hours**

- The portion of the Trading Session that is covered is divided into two discrete sessions:
  - European Session – 2:00 am to 12:00 pm ET
  - US Session: 6 am – 4 pm ET

#### **Program Term**

- July 16, 2012-January 15, 2013

#### **Obligations**

- Market Participant that is registered as a market maker in this program must be in full compliance with Exchange rules
- Post bids and offers at contracted bid/ask spreads and sizes in GCF Futures during designated trading hours under normal market conditions to be determined by contract with individual market maker

#### **Incentives**

- Reduced exchange fees in each product supported by the MM with the exception that the exchange fees for the top 5 MMs by traded volume in each product in a particular month will be waived for that particular product.

#### **Monitoring and Termination Status**

NYSE Liffe US will monitor Market Maker activity on an ongoing basis, and retains the right to revoke market making status if NYSE Liffe US concludes, from its review that a program participant is not complying with the market-making obligations of the program.



Matt Lisle  
Deputy Chief Regulatory Officer  
NYSE Liffe US  
100 South Wacker, 18th Floor  
Chicago, IL 60606  
T +1 312 442 7984

**FOIA CONFIDENTIAL TREATMENT REQUEST  
BY NYSE LIFFE US LLC**

**By Electronic Mail**

June 28, 2012

Mr. David Stawick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

**CONFIDENTIAL TREATMENT  
REQUESTED**

**Re: NYSE Liffe US Submission 2012-116 – Supplemental Information Relating to  
Notice Announcing General Designated Market Maker Program for GCF  
Futures**

Dear Mr. Stawick:

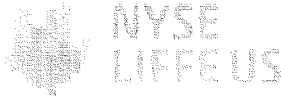
NYSE Liffe US LLC (“NYSE Liffe US” or the “Exchange”) in connection with NYSE Liffe US Submission 2012-116, announcing the establishment of the General Designated Market Maker Program for GCF Futures (“General DMM Program”) which was filed today, is providing the attached supplemental information. The Exchange has simultaneously submitted to the Commission a request for confidential treatment of the supplemental information. A copy of the request for confidential treatment is enclosed.

If you have any questions, please call me at (312) 442-7984.

Yours truly,

Matt Lisle

Enclosure



Matt Lisle  
Deputy Chief Regulatory Officer  
NYSE Liffe US  
100 South Wacker, 18th Floor  
Chicago, IL 60606  
T +1 312 442 7984

**FOIA CONFIDENTIAL TREATMENT REQUEST  
BY NYSE LIFFE US LLC**

**By Electronic Mail**

June 28, 2012

Linda J. Mauldin  
Paralegal Specialist  
FOIA Compliance Office  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

**CONFIDENTIAL TREATMENT  
REQUESTED**

**Re: FOIA Confidential Treatment Request**

Dear Ms. Mauldin:

By e-mail dated today, June 28, 2012, NYSE Liffe US LLC ("NYSE Liffe US" or the "Exchange") in connection with NYSE Liffe US Submission 2012-116, voluntarily provided the supplemental information attached.

Pursuant to Commission Rule 145.9(d), the Exchange requests confidential treatment of the information attached and this letter on the grounds that disclosure of this information would reveal confidential commercial or financial information of the Exchange. Pursuant to Commission Rule 145.9(d)(5) the Exchange requests that confidential treatment of the attached information be maintained until further notice from the Exchange. The Exchange requests that the Commission notify it immediately after receiving any request under the Freedom of Information Act ("FOIA") or any other court order, subpoena or summons for the attached information. The Exchange specifically notes that it does not waive in any manner its rights under Section 8(f) of the Commodity Exchange Act to receive a copy of any subpoena or summons for the attached information prior to the Commission's disclosure of such information pursuant to such subpoena or summons. Finally, the Exchange requests that the Commission notify it in the event that the Commission intends to disclose the attached information to Congress or any federal or state governmental agency or department.

In connection with this request for confidential treatment, and pursuant to Commission Rule 40.8, the Exchange is submitting the attached detailed written justification in support of the request for confidential treatment.

If you have any questions, please call me at (312) 442-7984.

Yours truly,

Matt Lisle  
Enclosure