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OFFICE OF THE
SECRETARIAT

By Electronic Mail

August 8, 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 2011-123 -- Change in Daily Settlement
Time and Procedures for Non-U.S.-Based mini MSCI Index 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- 123 and NYSE Liffe US Notice 25/2011. Notice 25/2011 notifies Members that, for non-U.S.-based mini MSCI Index Futures, the Exchange is changing (1) the daily settlement time from 4:15 pm ET to 4:00 pm ET, and (2) the procedure for determining the settlement price from primarily the mid-point between the best bid and offer in the market at the time of settlement to primarily the volume-weighted average price of trades occurring during last minute prior to the settlement time. For the avoidance of doubt, these changes only apply to daily settlements. Final settlement of the contracts remains unchanged.

NYSE Liffe US hereby certifies that Notice 25/2011 complies with the Commodity Exchange Act and the Regulations promulgated thereunder. In addition to the Submission Cover Sheet and a copy of Notice 25/2011, also please find enclosed an



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explanation and analysis of the operation, purpose and effect of the change in time and procedure for daily settlements.

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

Respectfully,

A handwritten signature in cursive script that reads "Karl D. Cooper". The signature is written in black ink and is positioned above a horizontal dashed line.

Karl D. Cooper

Enclosures



NYSE LIFFE U.S. NOTICE No. 25/2011

ISSUE DATE: August 8, 2011
EFFECTIVE DATE: August 23, 2011

Change of Daily Settlement Procedure and Time for Certain non-US mini MSCI Index Futures

Summary

This Notice announces that the settlement time will be changed from 4:15 pm to 4:00 pm New York time and that the procedure used to calculate daily settlement prices also will be changed for certain mini MSCIs. These changes will be effective as of August 23, 2011.

1. Change of Daily Settlement Time

1.1 NYSE Liffe US Notice 19/2009 dated August 28, 2009, Notice 8/2010 dated June 25, 2010, Notice 21/2010 dated September 27, 2010, Notice 23/2010 dated October 19, 2010 and Notice 24/2010 dated October 28, 2010 announced the listing of a variety of mini MSCIs on the Exchange. Among other things, the notice announced that daily settlement would occur for all mini MSCIs at 4:15 pm NY Time.

1.2 The Exchange has decided to change the daily settlement time to 4:00 pm NY Time for mini MSCIs that are not based on U.S. domestic equity indices. The affected futures contracts are ("Foreign MSCI Contracts"):

- mini MSCI Emerging Markets Index Futures
- mini MSCI Emerging Markets NTR Index Futures
- mini MSCI EAFE Index Futures
- mini MSCI EAFE NTR Index Futures
- mini MSCI Pan-Euro Index Futures
- mini MSCI Europe Index Futures
- mini MSCI Europe Growth Index Futures
- mini MSCI Europe Value Index Futures
- mini MSCI Euro Index Futures

1.3 Daily settlement procedures and timing will not be changed for the following mini MSCI index futures:

- mini MSCI USA Index Futures
- mini MSCI USA Growth Index Futures
- mini MSCI USA Value Index Futures

Web site: www.nyx.com
NYSE Liffe US LLC is NYSE Euronext's U.S. Futures Market, a Commodity Futures Trading Commission designated contract market.

NYSE Liffe US LLC | 20 Broad Street, 10th Floor | New York | NY 10005 | USA

2. Change of Daily Settlement Procedure

- 2.1 NYSE Liffe US Notice 19/2009 dated August 28, 2009, announced the listing of the mini MSCI's on the Exchange. The announcement included, among other things, an explanation of the daily settlement procedure of those contracts. Section 4.2 provided that "To establish the official daily settlement prices for Futures on MSCI Indices, the Exchange will primarily utilize the best bid and offer of the relevant Contract at 4:15 pm NY and take the midpoint as the daily settlement price. However, in calculating settlement prices, the Exchange may also take into consideration the prevailing spread values between Delivery Months, Index levels and prices in related markets."
- 2.2 The Exchange has decided to change the procedure for establishing the daily settlement prices for the Foreign MSCI Contracts by primarily utilizing a volume weighted average price process ("VWAP") during the last minute of trading prior to the settlement time ("closing range") in a particular trading session. Since the settlement time is changing to 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.
- 2.3 To determine the VWAP during a particular closing range, the Exchange will use the following formula:

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

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, *excluding* block trades

- 2.4 It should be noted that in calculating settlement prices, the Exchange may continue, in its sole discretion, to take into consideration relevant bid and offer prices in the contracts, as well as relevant spread values between Delivery Months, Index levels and prices in related markets.

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

Clifford Weber

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NYSE Liffe US Submission 2011-123

Explanation and Analysis

Operation:

The Exchange proposes to change: (i) the time and (ii) the procedure for establishing the daily settlement prices for mini MSCI Futures Contracts based on non-US underlying indices. Currently, daily settlement prices for the contracts are primarily based on the best bid and best offer prices at 4:15 pm NY time. Under the new procedure, daily settlement prices for each contract primarily will be based on the volume-weighted average price (VWAP) of contracts traded during the one minute period between 3:59 and 4:00 pm NY time. It should be noted that in calculating settlement prices, the Exchange may continue, in its sole discretion, to take into consideration relevant bid and offer prices in the contracts, as well as relevant spread values between Delivery Months, Index levels and prices in related markets, particularly when there are few or no trades in the contract during the one-minute VWAP calculation period.

For clarity, the Exchange notes that the timing and methodology associated with the Final Settlement Prices for the contracts remains unchanged. Therefore, the changes being implemented will not result in any change to the final settlement value of the contracts on expiration.

These changes will be effective as of August 23, 2011.

Purpose:

The Exchange believes that these changes will result in daily settlement prices that are more closely tied to actual trading prices during the significantly liquid period immediately prior to the 4:00 pm NY close of the related Exchange-Traded Funds. The fact that the VWAP methodology is based on actual trading prices should provide a more reliable foundation for determining the value of open positions and for assessing variation margin. The Exchange notes that the VWAP methodology is widely utilized in daily settlements for equity index futures at futures exchanges around the world, such as ICE, Eurex and CME.

Effect:

The effect of the proposed changes will be to generate daily settlement prices more closely tied to trading during a more liquid settlement period.

Core Principles implicated by the change:

- CP 11 – Financial integrity of Transactions
 - Valuing open positions and assessing variation margin based on actual traded prices during a more liquid settlement period should enhance the financial integrity of (i) the transactions executed on the Exchange and (ii) the futures commission merchants clearing such transactions, either for their own account or for the accounts of customers.