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By Electronic Mail

August 30, 2012

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

Re: NYSE Liffe US Submission 2012-125 – Increase in position limits for MSCI EAFE and Emerging Markets Index Futures.

Dear Mr. Stawick:

I am Executive Vice President and Head of Strategy & Product Development for 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 Commodity Futures Trading Commission (the “Commission”) Regulations (the “Regulations”) Section 40.6(a), I enclose a Cover Sheet for NYSE Liffe US Submission 2012-125 and NYSE Liffe US Notice 29/2012 which announces that the Exchange is increasing the position limits from 10,000 contracts to 50,000 contracts, in any single contract month or all months combined for the mini MSCI EAFE Index Futures (“MFS”) and mini MSCI EAFE NTR Index Futures (“MFU”) combined and the mini MSCI Emerging Markets Index Futures (“MME”) and mini MSCI Emerging Markets NTR Index Futures (“MMN”) combined (collectively, the “MSCI Index Futures”), effective with the September 14, 2012, trading session.

NYSE Liffe US hereby certifies that: (i) the position limits for the MSCI Index Futures 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 position limit’s compliance with applicable provisions of the Act, including core principles and the Commission’s regulations thereunder, is attached. No substantive opposing views were received from members or others with respect to the increase in speculative position limits.

If you have any questions, please call me at (212) 656-5618.

Yours Truly,
/S/
Clifford Weber
Enclosures

Explanation of Rule Amendments NYSE Liffe US Submission 2012-125

Background

NYSE Liffe US began trading the MFS and MME Index Futures in September 2009. At the time, identical contracts already were trading on the Chicago Mercantile Exchange. As of the close of trading on June 19, 2011, the MFS and MME Index Futures were delisted from CME and since then have been listed for trading solely on NYSE Liffe US. In October 2010, the Exchange began trading the MFU and MMN Index Futures. Since June 2011, the MSCI Index Futures open interest has increased by more than 130%, largely due to increased participation by the buy side community.

Significant Market Size of the Underlying Indexes

The MSCI Contracts are cash-settled contracts based on equity indexes with a significantly large number and size of underlying component stocks. As of July 31, 2012, the MSCI Emerging Markets Index included 819 companies from 21 emerging market countries, with combined market capitalization in excess of \$3 trillion. As of July 31, 2012, the MSCI EAFE Index covers 921 companies from 22 developed market countries, with combined market capitalization of over \$9 trillion. Because of the significant size of the market capitalization of the relevant indexes, an aggregate position of 50,000 MSCI contracts will represent a small percentage of the overall market capitalization of such indices; a level small enough to prevent market manipulation. For example, using prices reflective of the relevant market in July 2012, a position of 50,000 MFS contracts at a price of \$1440 would equate to \$3.6 billion ($\$1440 \text{ contract price} \times 50 \text{ multiplier} \times 50,000 \text{ contracts}$), approximately 0.037% of the market capitalization of the MSCI EAFE Index. Similarly, a position of 50,000 MME Contracts at a price of \$950 would equate to \$2.375 billion ($\$950 \text{ contract price} \times 50 \text{ multiplier} \times 50,000 \text{ contracts}$), approximately 0.07% of the market capitalization of the MSCI EAFE Index.¹ In addition, related markets for the MSCI Index Futures are very liquid. US-listed ETFs on the same underlying indices traded in excess of \$52 billion (MSCI Emerging Markets Index) and \$21 billion (MSCI EAFE Index) during the month of July 2012.

Considerable Increase in Volume and Open Interest

As noted above, NYSE Liffe US began trading the MME and MFS Futures in September 2009. At that time CME listed identical contracts. Since then, the average daily volume ("ADV") and the open interest has grown considerably. In comparison to the three months prior to when the Exchange began listing the MSCI Index Futures (July, August and September 2009) and the three most recent months (May, June and July 2012) the ADV for MSCI Emerging Market contracts (MME and MMN) has increased by approximately 918% and the open interest by 584%. The MSCI EAFE contracts (MFS and MFU) have similarly seen a sizeable increase in

¹ By comparison, the CBOT DJIA futures contract also has a position limit of 50,000 contracts. A position of 50,000 of CBOT DJIA futures contracts would equate to \$6.25 billion ($\$12,500 \text{ contract price} \times 10 \text{ multiplier} \times 50,000 \text{ contracts}$), approximately 0.165% of the market capitalization of the Dow Jones Industrial Index (approximately \$3.78 trillion).

ADV of 296% and open interest of 168%.

	MSCI EM		MSCI EAFE			MSCI EM		MSCI EAFE	
	ADV	OI	ADV	OI		ADV	OI	ADV	OI
200907	711	15,537	1,266	24,190	201205	9,261	100,706	5,334	63,892
200908	660	15,569	994	24,476	201206	22,032	113,619	14,002	65,072
200909	2,461	17,220	3,881	24,456	201207	7,706	116,446	4,962	66,651
Average	1,277	16,109	2,047	24,374	Average	13,000	110,257	8,099	65,205
					ADV Growth	918%	584%	296%	168%

The Exchange believes that the increase in the position limits is warranted due to the substantial increases in ADV and open interest and would not pose increased risk of manipulation. The amended position limits, as a percentage of open interest, are consistent with those at other designated contract markets for equity index contracts with position limits of 50,000 contracts.

<i>Position Limit Comparison (as of July, 2012)</i>					
Contract	Exchange	Index	Position Limit Contracts	Actual Open Interest (7/31)	Position Limit as % of Open Interest.
MME/MMN	NYL	MSCI Emerging Markets Index	50,000	116,446	43%
MFS/MFU	NYL	MSCI EAFE Index	50,000	66,651	75%
DJ	CME	DJIA	50,000	60,658	83%
RF	ICE	Russell 1000	50,000	19,235	260%
TF	ICE	Russell 2000	50,000	437,406	11%

Limits would not Lead to Excessive Speculation

The amended position limit of 50,000 contracts, particularly when applied to the aggregated price-only and net total return contracts, is sufficient to prevent a speculative trader from acquiring excessively large positions in the MSCI Index Futures and thereby would not result in excessive speculation. Additionally, through the Intermarket Surveillance Group Agreement (the "ISG Agreement"), the International Information Sharing Memorandum of Understanding and Agreement and other agreements and accords, the Exchange has access to the market activity of the equities underlying the underlying index capitalization for 86% of the MSCI Emerging Market Index and 100% of the MSCI EAFE Index.

**Designated Contract Market Core Principles Implicated by
NYSE Liffe US Submission 2012-125**

CORE PRINCIPLE	ANALYSIS
<p><i>Core Principle 2: Compliance with Rules</i></p>	<p>Trading in the MSCI Index Futures will continue to be subject to all existing rules of the Exchange, including Chapters 30, 31, 35, and 36 of the Exchange rulebook, governing the MSCI Index Futures Chapter 3, governing access to the Exchange's Trading Platform and Chapter 6 governing the business conduct of Exchange members that prohibits, 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.</p> <p>Additionally, the Exchange has the authority, through Chapter 7 of its rules, 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 the authority to carry out international information sharing arrangements and has entered into the ISG Agreement, the International Information Sharing Memorandum of Understanding and Agreement and other agreements and accords, which will permit it to obtain, among other information, information on trading in the securities underlying the MSCI Index Futures.</p>
<p><i>Core Principle 3: Contracts not Readily Subject to Manipulation</i></p>	<p>The MSCI Index Futures are based on broad based security indices made up of components with deep and liquid underlying securities markets. A position at the position limit level would result in positions of less than one-tenth of a percent of the market capitalization of the underlying index. Further, the Exchange has policies and procedures to monitor the trading in the MSCI contracts 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 in the MSCI Index Futures will continue to 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. The Exchange monitors the trading activities of large position holders, particularly during market close. Additionally, the Exchange has the ability to provide accurate and complete trade reconstruction.
<i>Core Principle 5: Position Limits or Accountability</i>	The position limits in the MSCI Index Futures are set using an acceptable practice designed to determine the appropriate level to prevent speculative traders from taking an excessively large position. The Exchange has taken into account the open interest and volume in the MSCI Index Futures, the significant breadth and liquidity of the underlying and related markets for the indexes, and the high correlation (and opportunity for arbitrage) between the futures contracts and the underlying and related markets for the indexes. Furthermore, as noted above, the position limit level represents less than one-tenth of one percent of the market capitalization of the underlying indexes, which is an appropriately conservative level.
<i>Core Principle 6: Emergency Authority</i>	Trading in the MSCI Index Futures remains subject to Exchange Rule 425. Exchange Rule 425 provides that the President, or any individual designated by the President and approved by the Board, determines that an Emergency exists, the President or such designee, as the case may be, may take or place into immediate effect a temporary emergency action or Rule, which may remain in effect for up to 30 Business Days, after which time it must be approved by the Board to remain in effect. Any such action or Rule may provide for, or may authorize the Exchange, the Board or any committee thereof to undertake actions necessary or appropriate to respond to the Emergency, including ordering the liquidation or transfer of Contracts, requiring Clearing Members, Members and Customers or Noncustomers to meet special margin requirements; or modifying or suspending any provision of the Rules of the Exchange or the Rules of the Clearing Service Provider.
<i>Core Principle 8: Daily Publication of Trading Information</i>	The Exchange will continue to publish daily on its web site information regarding the trading volume, open interest and price information regarding the MSCI Index Futures.

CORE PRINCIPLE	ANALYSIS
<i>Core Principle 9: Execution of Transactions</i>	The Exchange will monitor the impact, if any, that the increased position limits have on trading on the centralized market and, in the event the Exchange identifies any deleterious effect to the centralized market, it will take appropriate action.
<i>Core Principle 10: Trade Information</i>	The Exchange will continue to record and maintain an audit trail with all trade information regarding the MSCI Index Futures necessary to monitor for customer and market abuse.
<i>Core Principle 12: Protection of Markets and Market Participants</i>	All trading in the MSCI Index Futures will continue to be 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 customers, as well as market manipulation and 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 will bring disciplinary actions and impose sanctions for any violations with respect to trading in the MSCI Index Futures, including position limits.
<i>Core Principle 13: Disciplinary Procedures</i>	Chapter 7 of the Exchange's rulebook provides for disciplinary procedures by which the Exchange may impose sanctions for any violations of the Exchange's rules, including any violations of applicable position limits.
<i>Core Principle 18: Recordkeeping</i>	Data with regard to trading in MSCI Index Futures shall be retained by the Exchange in secured storage for a period of at least five years and be readily accessible and open to review by the CFTC. Additionally, the Exchange has in place business continuity and disaster recovery policies and procedures that provide for back-up and off-site storage of Exchange records.



NYSE LIFFE US NOTICE No. 29/2012

ISSUE DATE: August 30, 2012
EFFECTIVE DATE: September 14, 2012

Increase in Position Limits for MSCI Index Futures

Summary

This Notice announces that NYSE Liffe U.S. is increasing position limits for mini MSCI EAFE Index Futures, mini MSCI Emerging Markets Index Futures, mini MSCI EAFE NTR Index Futures, and mini MSCI Emerging Markets NTR Index Futures. The new position limits will become effective commencing with the September 14, 2012 Trading Session. In addition, attached to this Notice are the revised Rules 3003, 3103, 3503 and 3603.

1. Introduction and Background

- 1.1. NYSE Liffe US rules currently impose a position limit of 10,000 contracts net long or short in any single contract month or all months combined in the mini MSCI EAFE Index Futures ("MFS") and the mini MSCI EAFE NTR Index Futures ("MFU") combined.
- 1.2. NYSE Liffe US rules currently impose a position limit of 10,000 contracts net long or short in any single contract month or all months combined in the NYSE Liffe US mini MSCI Emerging Markets Index Futures ("MME") and the mini MSCI Emerging Markets NTR Index Futures ("MMN") combined.

2. Revised Position Limits

- 2.1. NYSE Liffe US is increasing the position limit to 50,000 contracts net long or short in any single contract month or all months combined in the MFS and MFU combined and in the MME and MMN combined.

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

New York Office +1 212 656 4300
Chicago Office +1 312 442 7730

nyseliffeus@nyx.com

Attachment to NYSE Liffe US Notice 29/2012
NYSE Liffe US Rulebook Amendments Regarding Position Limits in MSCI Index Futures
(Deletions are shown in ~~strikethrough~~ and additions are shown in underline.)

CHAPTER 30
MSCI EAFE Mini Index FUTURES

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3003. Trading Specifications

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(e) Position Limits

In accordance with Rule 420, Position Limits, no person shall own or control positions in excess of ~~10,000~~50,000 futures-equivalent contracts net long or net short in any single contract month or all months combined. For the purposes of determining a person's position under this rule, the Exchange will combine all long or short positions in MSCI EAFE Mini Index Futures and MSCI EAFE NTR Mini Index Futures. Refer to Rule 420 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

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CHAPTER 31
MSCI Emerging Markets Mini Index FUTURES

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3103. Trading Specifications

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(e) Position Limits

In accordance with Rule 420, Position Limits, no person shall own or control positions in excess of ~~10,000~~50,000 futures-equivalent contracts net long or net short in any single contract month or all months combined. For purposes of determining a person's position under this rule, the Exchange will combine all long or short positions in MSCI Emerging Markets Mini Index Futures and MSCI Emerging Markets NTR Mini Index Futures. Refer to Rule 420 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

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CHAPTER 35
MSCI EAFE NTR Mini Index Futures

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3503. Trading Specifications

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(e) Position Limits

In accordance with Rule 420, Position Limits, no person shall own or control positions in excess of ~~10,000~~50,000 futures-equivalent contracts net long or net short in any single contract

month or all months combined. For the purpose of determining a person's position under this rule, the Exchange will combine all long or short positions in MSCI EAFE Mini Index Futures and MSCI EAFE NTR Mini Index Futures. Refer to Rule 420 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

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CHAPTER 36
MSCI Emerging Markets NTR Mini Index Futures

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3603. Trading Specifications

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(e) Position Limits

In accordance with Rule 420, Position Limits, no person shall own or control positions in excess of ~~10,000~~50,000 futures-equivalent contracts net long or net short in any single contract month or all months combined. For the purpose of determining a person's position under this rule, the Exchange will combine all long or short positions in MSCI Emerging Markets Mini Index Futures and MSCI Emerging Markets NTR Mini Index Futures. Refer to Rule 420 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

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