NYSE Euronext

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By Electronic Mail

September 5, 2008

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

Re: NYSE Liffe, LLC Exchange Notice 9/2008

Dear Mr. Stawick:

In accordance with the provisions of Commodity Futures Trading Commission ("Commission") Rule 40.6, NYSE Liffe, LLC ("NYSE Liffe" or "Exchange") is writing to advise the Commission that the Exchange has adopted Notice 9/2008 and attached Error Trade Policy ("Policy") of the Exchange. The Policy is effective on Tuesday, September 9, 2008.

A copy of the Notice and Policy are submitted with this letter. NYSE Liffe hereby confirms that the Policy complies with the Commodity Exchange Act and the Regulations thereunder.

If you have any questions concerning the attached Notice and Policy, please call me at 212.656.4568.

With best regards,

Karl D. Cooper
Chief Regulatory Officer

NYSE Liffe

NYSE LIFFE NOTICE No. 9/2008

ISSUE DATE: 4 September 2008
EFFECTIVE DATE: 9 September 2008

NYSE Liffe – Error Trade Policy – Trade Cancellations and Price Adjustments

1. The attachment to this Notice sets out NYSE Liffe's Error Trade Policy, which is effective on and from September 9, 2008.

For further information in relation to this Notice or any other matters relating to the go-live of NYSE Liffe, Members should contact the following:

Market Operations:

Market Control	(+1) 8669 335 032	NYLOperations@nyx.com
Administration	(+1) 8665 922 693	NLmarketservices@nyx.com
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NYSE Liffe

NYSE Liffe Error Trade Policy

Trade Cancellations and Price Adjustments

A. Authority of Market Operations, Market Control ("Market Control") for Trade Cancellations

The following policy shall be applied to balance the adverse effects on market integrity of executing trades and publishing trade information inconsistent with prevailing market conditions while preserving legitimate expectations that executed transactions will not be cancelled. The Exchange's trade cancellation policy authorizes Market Control to adjust trade prices or cancel (bust) trades when such action is necessary to mitigate market disrupting events caused by the improper or erroneous use of the electronic trading system or by system defects. Notwithstanding any other provisions of this rule, Market Control may adjust trade prices or cancel any trade if Market Control determines that allowing the trade to stand as executed may have a material, adverse effect on the integrity of the market. The decision of Market Control shall be final.

B. Review of Trades

Market Control may review a trade based on its analysis of market conditions or a request for review by a user of the electronic trading system. A request for review must be made within eight minutes of the execution of the trade. Market Control shall promptly determine whether the trade will be subject to review, and upon deciding to review a trade, Market Control will promptly issue an alert indicating that the trade is under review. In the case of illiquid contracts, Market Control may initiate a review up to one hour after the execution of the trade, and has the authority, but not the obligation, to review trades reported more than one hour following execution if it determines that the trade price was egregiously out of line with fair value.

C. Trade Price Adjustment and Cancellation Process

Market Control will first determine whether the trade price is within the No Bust Range for futures or within the Bid/Ask Reasonability Allowance for options, as described in Section K. The Bid/Ask Reasonability Allowance for an option is the maximum width of the bid/ask range which will be considered reasonable for use in applying the parameters necessary to establish the no bust range for the option. During fast market conditions, upon the release of significant news, or in other circumstances in which Market Control determines it is appropriate, Market Control may, without prior notice, temporarily double the published No Bust Range or Bid/Ask Reasonability Allowance. In applying the No Bust Range, Market Control shall determine the actual or implied market price for that contract immediately before the trade under review. Market Control may consider any relevant information, including, but not limited to, the existing market conditions, the volatility of the market, the prices of related instruments in other markets, the last trade price on the electronic trading system, a better bid or offer price, a more recent price in a different contract month, the price of the same or related contract established in open outcry trading, theoretical value of an option based on the most recent implied volatility, responses to RFQs, and any other factors that Market Control deems relevant.

1. Trade Price Inside the No Bust Range

If Market Control determines that the price of the trade was inside the No Bust Range, Market Control will promptly issue an alert indicating that the trade shall stand.

2. Trade Price Outside the No Bust Range

a. Implied-Eligible Futures Contracts

If Market Control determines that a trade price is outside the applicable No Bust Range for an implied-eligible contract, the trade price shall be adjusted to a price that equals the actual or implied market price for that contract at the time of the questioned trade, plus or minus the standard or doubled No Bust Range, as applicable. In the event there are multiple parties, prices and/or contracts involved in the transactions at issue, Market Control has the authority, but not the obligation, to bust rather than price adjust such transactions. Market Control will promptly issue an alert indicating that the prices of the trades outside the No Bust Range have been adjusted to the No Bust Range limit or have been busted.

b. All Other Futures Contracts

If Market Control determines that the trade price is outside the No Bust Range for a non-implied eligible futures contract, Market Control shall bust the trade. Market Control will promptly issue an alert indicating that trades outside the No Bust Range have been busted.

c. Option Contracts

If Market Control determines that a trade price is outside the applicable No Bust Range for an option contract, the trade price shall be adjusted. In the case of a buy error, the price will be adjusted to the determined ask price plus the applicable no bust parameter. In the case of a sell error, the price will be adjusted to the determined bid price minus the applicable no bust parameter. In the event there are multiple parties, prices and/or contracts involved in the transactions at issue, Market Control has the authority, but not the obligation, to bust rather than price adjust such transactions. Market Control will promptly issue an alert indicating that the prices of the trades outside the No Bust Range have been adjusted to the No Bust Range limit or have been busted.

3. Liability for Losses Resulting from a Price Adjustment or Trade Bust

A party responsible for entering an order that results in a trade price adjustment shall not be liable for losses incurred by persons whose trade prices were adjusted, except as provided in 3.a., 3.b. and 3.c. below.

a. Implied Eligible Contracts – Price Adjusted Stop Orders

A party responsible for an order(s) that results in a trade price adjustment shall be liable for actual losses incurred by persons whose stop orders were elected as a result of the order(s). The compensable loss on each futures contract executed as part of a stop order shall be the difference between the adjusted price, as determined by Market Control, and the price in the market at the time the person knew or should have known that his stop order was erroneously elected.

b. Implied Eligible Contracts – Price Adjusted Spread Trades

A party responsible for an order that results in a trade price adjustment shall not be liable to persons whose spread orders were executed and adjusted unless the adjusted execution price of the spread is less favorable than the market equilibrium price for the relevant spread. The liability of the party responsible for an order that results in a price adjustment shall be limited to the difference between the adjusted price and the equilibrium market price, but shall not exceed the relevant No Bust Range.

c. Option Contracts – Price Adjusted Trades

A party responsible for an order that results in a trade price adjustment shall not be liable to persons whose option orders were executed and adjusted unless the adjusted execution price of the option is less favorable than the market equilibrium price for the relevant option. The liability of the party responsible for an order that results in a price adjustment shall be limited to the difference between the adjusted price and the market equilibrium price, but shall not exceed the relevant No Bust Range.

d. Busted Trades

A party responsible for an order that results in a trade bust may be liable for the reasonable out-of-pocket losses incurred by persons whose trades were busted or persons whose stop orders were elected and not busted. Issues of liability in such cases will be determined based upon all relevant facts and circumstances, including the conduct of the respective parties.

D. Claim Process

A claim for a loss pursuant to Sections C.3.a., b. and c. must be submitted to the Exchange, on an Exchange claim form, within five business days of the event giving rise to the claim. The Exchange shall reject any claim that is not permitted by Sections C.3.a., b. or c. and such decision shall be final. All claims, which are not rejected by the Exchange, shall be forwarded to the party responsible for the order(s) that resulted in a trade bust or a price adjustment and to the clearing member through which the trade was placed. Such party, or the clearing member on behalf of the party, shall, within ten business days of receipt of the claim, admit or deny responsibility in whole or in part. The liability for losses for a single incident shall be limited to \$500,000. To the extent that liability is admitted, payment shall be made within ten business days. If liability is admitted but the total claims exceed \$500,000, the claims shall be reduced pro rata so that the total payment does not exceed \$500,000. To the extent that liability is denied, the claims shall be submitted to arbitration in accordance with Chapter 8 of the NYSE Liffe Rules.

E. Trade Cancellation or Offset Procedures

Upon a determination by Market Control that a trade shall be busted or that trade prices shall be adjusted, that decision will be implemented. The busted trade price and any price quotes that have been adjusted will be reflected as cancelled in the Exchange's official record of time and sales. Time and sales will reflect the trades at the adjusted price. If the trade is not busted, the parties to the transaction cannot reverse the transaction by using a "type 8 transfer" except as provided in Section C.2.d. and Section F. Additionally, if the trade is not busted, the parties may not reverse the trade by entering into a prearranged offsetting transaction unless such transactions are permitted and effected in accordance with Rules 423 or 615.

F. "Type 8 Transfers"

Positions that result from a trade determined by Market Control to be outside the No Bust Range that cannot be busted because the trade was not reported within eight minutes of the execution of the trade may be transferred between the parties using a "Type 8 Transfer" upon agreement of the parties. The transfer must use the original trade price and quantity. Any party may, but is not required to, include a cash adjustment to another party to the trade. Trades determined by Market Control to be inside the No Bust Range may not be reversed using a "Type 8 Transfer."

G. Arbitration of Disputes Regarding "Type 8 Transfers"

If a party does not agree to transfer a position pursuant to Section F., any other party to the trade may file an arbitration claim against the member or clearing member representing the other side of the trade. Written notice of such claim must be provided to the Exchange within five business days of the execution of the trade. Failure to file the claim within five business days shall be deemed a waiver of all claims. The arbitration claim will be dismissed by the Exchange if the owner of the account on the other side of the trade is not deemed a Member or Registered User as defined in Rules 302 and 303 or a person otherwise subject to the Exchange's jurisdiction. If not dismissed, the arbitration claim will be conducted in accordance with Chapter 8 of the NYSE Liffe Rules. In deciding the claim, the Arbitration Committee may consider, among other factors, the reasonableness of the actions taken by each party and what action the party on the other side of the error trade took before being notified that the trade was being questioned.

H. Voluntary Adjustment of Trade Price

When a trade outside of the No Bust Range is busted in accordance with this rule, the parties to the trade may agree voluntarily to re-establish the trade but to adjust its price and make a cash adjustment provided that all of the following conditions are met:

1. Market Control approves the adjustment.

2. The quantity of the position being re-established is the same as the quantity of the trade that was busted.

3. In the case of a trade below the actual or implied market price, the adjusted price must be the lowest price that traded at or about the time of the trade without being busted. In the case of a trade above the actual or implied market price, the adjusted price must be the highest price that traded at or about the time of the trade without being busted.

4. The parties to the adjusted trade must report it to the clearing system using a "Type 8 Transfer" with a "G" transfer code not later than the close of business on the business day after the trade occurred.

I. Busting Trades after System Freeze

In the event that the matching engine freezes with live orders in the queue waiting to be matched, such orders may be matched when the system is unfrozen before Market Control can halt the matching engine. Market Control is authorized to bust trades resulting from such matches if the price of such trades is outside of the No Bust Range at the time that a confirmation of the trades was sent.

J. Schedule of Administrative Fees

When Market Control busts a trade, the party responsible for entering the order into the electronic trading system that gave rise to the trade bust shall pay an administrative fee to the Exchange in accordance with the following schedule. The fee is $250 for each of the first five occasions in a calendar year where a party's order entry results in a trade bust, $500 for each of the next three occasions within the same calendar year where a party's order entry results in a trade bust, and $1,000 for each subsequent occasion within the same calendar year where a party's order entry results in a trade bust. If a non-member customer responsible for entering an order that results in a trade bust fails to pay the fee in accordance with this section, the clearing member carrying the customer's account shall be responsible for payment of the fee.

K. No Bust Ranges

Futures Contract	No Bust Range
100 oz. Gold and Mini-sized Gold	$4.00 per ounce
5,000 oz. Silver and Mini-sized Silver	$0.10 per ounce

Futures Combinations

Implied Eligible Intra-Commodity Futures Spreads	Same as the no bust range of the individual legs

Option Contract	Bid/Ask Reasonability	No Bust Range
Gold	$4.00	20% of premium up to $2.00 with a minimum of 1 tick
Silver	$0.10	20% of premium up to $0.05 with a minimum of 1 tick