



Marco Bianchi  
Senior Vice President  
NYSE Liffe US  
20 Broad Street, 10th Floor  
New York, NY 10005  
T +1 212 656 4300

**By Electronic Mail**  
September 14, 2012

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

CONFIDENTIAL TREATMENT  
REQUESTED

**Re: NYSE Liffe US Submission 2012-128 – Notice Announcing the Renewal of  
the Designated Market Maker Program in Precious Metals 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 2012-128 and NYSE Liffe US Notice 32/2012 which announces that the Exchange is renewing the designated market maker program in the 100 oz. and 33.2 oz. mini-sized Gold Futures contracts and the 5,000 oz. and 1,000 oz. mini-sized Silver Futures contracts (collectively “Precious Metals Futures”) effective October 1, 2012.

NYSE Liffe US hereby certifies that: (i) the market maker program for Precious Metals Futures complies with the Act and the regulations thereunder and (ii) a notice and copy of this submission has been concurrently posted on the Exchange’s web site. Additionally, a concise explanation and analysis of the Precious Metals Futures market maker 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 programs.

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 2012-128**

<b>CORE PRINCIPLE</b>	<b>ANALYSIS</b>
<p><i>Core Principle 2: Compliance with Rules</i></p>	<p>The Exchange has carefully vetted those participants selected for the program. All participants in the program 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 International Information Sharing Memorandum of Understanding and Agreement, the Intermarket Surveillance Group Agreement, and other agreements and accords.</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, including the current Precious Metals Futures market maker program, have not promoted abusive practices by participants. Further, the Exchange has policies and procedures to monitor the participants and trading in the Precious Metals 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 programs, like all trading in the Precious Metals 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 and the ability to provide accurate and complete trade reconstruction.
<i>Core Principle 5: Position Limits or Accountability</i>	Participants in the programs will continue to be subject to all applicable position limits and 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 and has for the existing Precious Metals Futures program, monitor the impact, if any, that these programs have 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 these programs, 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 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 by participants in these programs.
<i>Core Principle 18: Recordkeeping</i>	Data with regard to the programs 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.

<b>CORE PRINCIPLE</b>	<b>ANALYSIS</b>
<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.



## NYSE LIFFE US NOTICE No. 32/2012

ISSUE DATE: September 14, 2012  
EFFECTIVE DATE: October 1, 2012

### Renewal of the Designated Market Maker Program for Precious Metals Futures

#### Summary

This Notice announces that the Exchange is renewing the Designated Market Maker ("DMM") program in the 100 oz. Gold Futures contracts and the 5,000 oz. Silver Futures contracts ("Full-sized Metals Futures") and the 33.2 oz. mini-sized Gold futures contracts and the 1,000 oz. mini-sized Silver Futures contracts ("Mini-sized Metals Futures") (collectively "Precious Metals Futures") beginning with the October 1, 2012, Trading Session.

#### 1. Introduction

- 1.1 NYSE Liffe US [Notice No. 8/2012](#) announced the appointment of DMMs to participate in the Precious Metals Futures market maker program commencing on April 2, 2012.

#### 2. Appointment of Designated Market Makers

- 2.1 After considering the performance of the market makers ("MMs") participating in the current term of the Precious Metals Futures market making program, which expires on September 30<sup>th</sup>, 2012, the Exchange has determined to appoint a core group of firms to participate in the DMM Program for Precious Metals Futures for a new term commencing with the October 1, 2012 trading session. The Precious Metals Futures DMM Program will include three plans: the Full-sized Metals Plan, the Mini-sized Metals Plan, and the Overnight Metals Plan. The Full-sized Metals Plan shall continue through December 31, 2012. The Mini-sized Metals Plan and the Overnight Metals Plan shall continue through March 30, 2013. For details of the programs, please see the attached plan descriptions.
- 2.2 All MM appointments are subject to the terms of a contractual agreement between the Exchange and each MM. Under the terms of the agreements, each MM 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 continue to monitor each MM's performance of market making activity under the agreement and may adjust benefits otherwise due under the agreement and/or terminate the agreement if it determines the MM 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)

## **Designated Market Maker Program for Precious Metals Futures**

### **Full-sized Metals Plan**

#### **Product(s)**

- 100 oz. Gold Futures
- 5,000 oz. Silver Futures

#### **Eligible Participants**

- Designated Market Makers with a valid Designated Market Making Agreement in place as of October 1, 2012.

#### **Hours**

- US Session: 8 am – 5 pm ET

#### **Program Term**

- October 1, 2012 – December 31, 2012

#### **Obligations**

- Market Participant that is registered as a market maker in this program must be in full compliance with Exchange rules
- Post two sided markets at contracted bid/offer spreads and sizes for a substantial percentage of Trading Session as indicated in the Designated Market Making Agreement

#### **Incentives**

- Waiver of exchange fees
- Rebate per side transacted up to certain limit

## **Mini-sized Metals Plan**

### **Product(s)**

- 33.2 oz. mini-sized Gold Futures
- 1,000 oz. mini-sized Silver Futures

### **Eligible Participants**

- Designated Market Makers with a valid Designated Market Making Agreement in place as of October 1, 2012.

### **Hours**

- Entire Trading Session: 7:16pm – 5pm next day

### **Program Term**

- October 1, 2012 – March 30, 2013

### **Obligations**

- Market Participant that is registered as a market maker in this program must be in full compliance with Exchange rules
- Post two sided markets at contracted bid/offer spreads and sizes for a substantial percentage of Trading Session as indicated in the Designated Market Making Agreement

### **Incentives**

- Waiver of exchange fees;
- A pro rata share of CTI 4 exchange trading fee revenue subject to certain market share thresholds.



## **Overnight Metals Plan**

### **Product(s)**

- 33.2 oz. mini-sized Gold Futures
- 1,000 oz. mini-sized Silver Futures

### **Eligible Participants**

- Designated Market Makers with a valid Designated Market Making Agreement in place as of October 1, 2012.

### **Hours**

- Overnight Session: 7:16 pm - 8 am ET

### **Program Term**

- October 1, 2012 – March 30, 2013

### **Obligations**

- Market Participant that is registered as a market maker in this program must be in full compliance with Exchange rules
- Post two sided markets at contracted bid/offer spreads and sizes for a substantial percentage of Trading Session as indicated in the Designated Market Making Agreement

### **Incentives**

- Waiver of exchange fees
- Fixed stipend

### **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.



Anne Loranger  
Attorney Investigator  
NYSE Liffe US  
20 Broad Street, 10<sup>th</sup> Floor  
New York, NY 10005  
T +1 212 656 5263

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

**By Electronic Mail**

September 14, 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: Supplemental Submission NYSE Liffe US Submission 2012-128 –  
Supplemental Information Relating to the Renewal of the Designated Market  
Maker Program for Precious Metals Futures.**

Dear Mr. Stawick:

NYSE Liffe US LLC ("NYSE Liffe US" or the "Exchange"), in connection with NYSE Liffe US Submission 2012-128, announcing that the Exchange is renewing the designated market maker program in the 100 oz. and 33.2 oz. mini-sized Gold Futures contracts and the 5,000 oz. and 1,000 oz. mini-sized Silver Futures contracts (collectively "Precious Metals Futures"), 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 (212) 656-5263.

Yours truly,

A handwritten signature in cursive script that reads "Anne E. Loranger".

Anne Loranger

Enclosure



Anne Loranger  
Attorney Investigator  
NYSE Liffe US  
20 Broad Street, 10<sup>th</sup> Floor  
New York, NY 10005  
T +1 212 656 5263

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

**By Electronic Mail**

September 14, 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, September 14, 2012, NYSE Liffe US LLC ("NYSE Liffe US" or the "Exchange") in connection with NYSE Liffe US Submission 2012-128, 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 (212) 656-5263.

Yours truly,

A handwritten signature in cursive script that reads "Anne E. Loranger".

Anne Loranger  
Enclosure