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U.S.

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By Electronic Mail

September 16, 2011

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

> **Re:** **Modification of Trade Matching Algorithm – Eurodollar and Two-Year U.S. Treasury Futures Contracts**

Dear Mr. Stawick:

I am the Deputy Chief Regulatory Officer of NYSE Liffe US LLC ("NYSE Liffe US" or the "Exchange"). 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 NYSE Liffe US Submission 2011-128 and NYSE Liffe US Notice 30\2011 which announces a modification that will be made to the trade matching algorithm for Eurodollar and Two-Year U.S. Treasury Futures. The change will be effective for trade date October 31, 2011.

NYSE Liffe US herby certifies that this notice complies with the Commodity Exchange Act and the Regulations thereunder.

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

Yours Truly,

Matt Lisle

Enclosures

NYSE LIFFE U.S. NOTICE No. 30/2011

ISSUE DATE: September 16, 2011
EFFECTIVE DATE: October 31, 2011

Modification of Trade Matching Algorithm - Eurodollar and Two-Year U.S. Treasury Note Futures Contracts

Summary

This Notice announces that the trade matching algorithm used for Eurodollar and-Two Year U.S. Treasury Note Futures Contracts will be modified, effective October 31, 2011.

1. Introduction

1.1 Exchange Notice 05/2011, issued on March 10, 2011, provided details of the trade matching algorithms to be used in connection with Interest Rate Futures listed on NYSE Liffe US.

1.2 The existing Time Pro Rata trade matching algorithm used in connection with Eurodollar and Two-Year Treasury Note Futures considers both the size of resting orders and the sequence of orders entered.

2. Modification of Trade Matching Algorithm

2.1 The Exchange has enhanced the existing Time Pro Rata algorithm so that the amount of volume contained in orders preceding and following a resting order will govern the resting order's position in the order book rather than simply the number of other orders preceding or following the resting order.

2.2 Market Participants can find additional details on the matching algorithm at the following link: http://www.nyseliffeus.com/matchingalgorithms

2.3 The changes above will be implemented into the Customer Test Support Group ("CTSG") test environments for Eurodollar and Two-Year US Treasury Note Futures on September 28, 2011 and will be deployed in production for trade date October 31, 2011. The Exchange strongly recommends that all Market Participants familiarize themselves with the enhanced trade matching algorithm prior to the implementation of these changes in production.

2.4 The Exchange's matching engine, LIFFE CONNECT®, will be modified to employ the enhanced Time Pro Rata trade matching algorithm. This change does not require any action from Independent Software Vendors or member developers as there will be no

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.

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Explanation and analysis

Operation:

The existing Time Pro Rata trade matching algorithm used on Eurodollar and Two-Year U.S. Treasury Note Futures deployed on NYSE Liffe US considers both the size of resting orders and the sequence of orders entered. The Exchange has modified this approach further by enhancing the algorithm to take into account the size of individual resting orders and where the orders on a lot-by-lot basis sit in the sequence of total lots entered. Consequently, it is the amount of volume contained in orders preceding and following a resting order that will govern a single order's position in the fill sequence rather than simply the number of other orders preceding or following that single order regardless of the volume contained in those orders.

This change will be effective on October 31, 2011.

Purpose:

The Exchange is modifying the trade matching algorithm to take into account the more meaningful factor of an order's relationship to other orders in the book at a particular price level based on their relative sizes rather than on the less meaningful factor of simply the number of other orders at that price and when each of these orders were entered into the system.

Effect:

The trade matching algorithm modification is a refinement of the existing matching algorithm that is expected to deliver even further efficiencies to the Two-Year U.S. Treasury Note and Eurodollar Futures markets by considering the more meaningful factor of the relationship of a resting order to the volume contained in orders before it and after it in the order book on a time priority basis, rather than simply the number of orders. The enhanced algorithm should better reward those placing comparatively larger orders earlier with better fills in recognition of their greater contribution of liquidity to the market.

Core Principles implicated by the change:

CP 9 – Execution of Transactions: The Board of Trade shall provide a competitive, open, and efficient market and mechanism for executing transactions. By better rewarding those market participants that make a greater contribution to the liquidity to be found in the central order book, the deployment of the enhanced algorithm will further bolster the Exchange's extensive efforts to provide a competitive, open and efficient market for executing transactions.