



NYSE Liffe

C.F.T.C.
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By Electronic Mail

November 16, 2009

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

Re: 2009-119 NYSE Liffe US LLC – Notice 25/2009: Changes in Operational Process for Deposits and Withdrawals of Vault Receipts to and from the NYSE Liffe Guardian Delivery System

Dear Mr. Stawick:

I am the 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 a Cover Sheet for NYSE Liffe US Submission 2009-119 and NYSE Liffe US Notice 25/2009 which announces changes in the operational process for deposits and withdrawals of vault receipts to and from the NYSE Liffe Guardian Delivery System.

NYSE Liffe US hereby certifies that Notice 25/2009 and the changes in the operational process for deposits and withdrawals of vault receipts to and from the NYSE Liffe Guardian Delivery System set forth in Notice 25/2009 comply with the Act and the Regulations.

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

With best regards,

Karl D. Cooper

Enclosures



NYSE LIFFE U.S. NOTICE No. 25/2009

ISSUE DATE: November 16, 2009
EFFECTIVE DATE: November 18, 2009

Change in Operational Process for Deposits and Withdrawals of Vault Receipts to and from the NYSE Liffe Guardian Delivery System

Summary

This Notice sets forth changes in the procedures for the creation of electronic vault receipts based on the deposit of paper receipts and the conversion of electronic receipts back to paper receipts initially announced in Notice 8/2008.

Specifically, under the new procedures, for entry of a paper receipt into the NYSE Liffe Guardian Delivery System, a Clearing Member may only deposit paper receipts directly to the vault that issued the receipt.

Paper receipts withdrawn from the Exchange's Central Depository by a Clearing Member will only be delivered directly to the vault that issued the receipt.

Upon cancellation of an electronic receipt from the NYSE Liffe Guardian Delivery System, a Clearing Member or a Clearing Member's customer must make arrangements directly with the vault issuing the underlying paper receipt for the continued storage of the metal represented by the receipt or the withdrawal of the metal from the vault. Any and all such arrangements will be subject to any rules or limitations imposed by the vault.

1. Background

- 1.1 Notice 8/2008 established the procedures for Clearing Members to create an electronic vault receipt in the Exchange's then delivery system, EDS. Para. 4.1. It provided that Clearing Members could present a paper receipt issued by any of the Exchange's Regular Vaults to HSBC as the Exchange's Central Depository to obtain an electronic receipt entered in EDS. Notice 8/2008 also set forth the

procedure for the withdrawal of electronic receipts from EDS. Specifically, it required that Clearing Members contact Market Operations, and then make appropriate arrangements directly with HSBC to take physical possession of the paper receipt. *See* Notice 8/2008 Paras 4.1 through 4.4.

- 2.2 These operational procedures remained in place through the migration of the Exchange's Clearing Service Provider from CME Clearing to the Options Clearing Corporation for trade date March 30, 2009, and the related change in delivery systems from EDS to the NYSE Liffe Guardian System. *See* Notice 4/2009 Paras. 7.1 through 7.4 and Notice 7/2009.

2. **New Procedures for the Creation of Vault Receipts**

- 2.1 A Clearing Member intending to make delivery in either a 100 oz. Gold or 5,000 oz. Silver Futures must have an electronic vault receipt entered on the NYSE Liffe Guardian Delivery System. A Clearing Member intending to make delivery in either a Mini-sized Gold or Mini-sized Silver Futures must have either an electronic vault receipt or a Warehouse Delivery Receipt ("WDR") entered on the NYSE Liffe Guardian Delivery System.
- 2.2 To create a new electronic vault receipt under the procedures announced in this Notice, a Clearing Member must either present an acceptable existing paper vault receipt *to the vault that issued the receipt*, or request a vault declared Regular by the Exchange for the relevant metal to issue a NYSE Liffe US paper receipt for metal stored at the vault in accordance with the Rules. The issuing vault, in turn, will forward the paper vault receipt to HSBC in HSBC's capacity as the Exchange's Central Depository for the purpose of obtaining an electronic vault receipt to be held in the NYSE Liffe Guardian Delivery System.
- 2.3 Under these procedures, and the Exchange's Rules, vaults declared Regular by the Exchange have no obligation to issue NYSE Liffe US paper vault receipts for any purpose other than for submission of such paper receipts directly to the Exchange's Central Depository for the creation of electronic vault receipts in the NYSE Liffe Guardian Delivery System.
- 2.4 For the avoidance of doubt, these new procedures do not affect the existing paper receipts held by HSBC as the Exchange's Central Depository, except with respect to withdrawals as set forth below in paragraph 3.1.
- 2.5 Clearing Members should consult with HSBC and the issuing vault (if not HSBC) regarding the time that will be required to accomplish the necessary processing and shipment of the paper receipts so that any deadlines set forth in Rules 1208, 1408, 1508 and 1708 are met.

2.6 Under the new procedures, Clearing Members will no longer be able to deposit paper vault receipts in the Exchange's Chicago Office. Notice 8/2008 Para. 4.2.

3. **New Procedures for the Withdrawal of Vault Receipts**

3.1 In the case of a Clearing Member intending to convert an electronic vault receipt to a paper receipt, the Clearing Member should request the Exchange Registrar to authorize HSBC to release the paper receipt. Under the new procedure, HSBC will only be authorized to release a paper receipt directly to the vault that issued the receipt. A Clearing Member or a Clearing Member's customer will then need to make arrangements directly with the issuing vault for the continued storage or physical withdrawal of the metal identified by the paper receipt. All such arrangements shall be subject to the rules, policies and limitations imposed by the issuing vault.

3.2 Clearing Members should consult with HSBC and the issuing vault (if not HSBC) regarding the time that will be required to accomplish the necessary processing and shipment of the paper receipts.

4. **No Change to Procedures for Creation and Cancellation of WDRs**

4.1 Procedures for the creation and cancellation of WDRs used to make deliveries in the Mini-sized Gold or Mini-sized Silver Futures set forth in Notice 8/2008 at Paragraphs 5.1 and 5.2, Notice 1/2009 and Notice 7/2009 remain unchanged.

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

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