



CONFIDENTIAL TREATMENT  
REQUESTED

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**

December 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

**Re: NYSE Liffe US Submission 2012-140 – Renewal of the Designated Market  
Maker Program for Eurodollar and U.S. Treasury Futures Contracts**

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 2012-140 and NYSE Liffe US Notice 44/2012 which announces the renewal of the Designated Market Maker ("DMM Program") in the Eurodollar and U.S. Treasury Futures (collectively "Interest Rate Futures") effective January 2, 2013, through March 31, 2013.

NYSE Liffe US hereby certifies that: (i) the DMM Program for Interest Rate Futures complies with the Act and the Regulations 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 Interest Rate Futures DMM Program and its compliance with applicable provisions of the Act, including core principles and the Regulations, is attached. No substantive opposing views were expressed by members or others with respect to the DMM Program.

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 2012-140**

| <b>CORE PRINCIPLE</b>   | <b>ANALYSIS</b>   |
|---|---|
| <p><i>Core Principle 2:<br/>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, the Exchange 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, disruptive trading practices 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 Boca Declaration and the Intermarket Surveillance Group Agreement.</p> |
| <p><i>Core Principle 3:<br/>Contracts not Readily<br/>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 Interest Rate Futures DMM Program, have not promoted abusive practices by participants. Further, the Exchange has policies and procedures to monitor the participants and trading in the Interest Rate Futures and to detect and prevent manipulative or abusive trading and practices.</p>   |

| <b>CORE PRINCIPLE</b>   | <b>ANALYSIS</b>  |
|---|--|
| <i>Core Principle 4:<br/>Prevention of Market<br/>Disruption</i>                | Trading by participants in the program, like all trading in the Interest Rate 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:<br/>Position Limits or<br/>Accountability</i>              | Participants in the program will continue to be subject to all applicable position limits and accountability levels.   |
| <i>Core Principle 9:<br/>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 Interest Rate Futures DMM 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:<br/>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 this program, necessary to monitor for customer and market abuse.   |
| <i>Core Principle 12:<br/>Protection of Markets and<br/>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 disruptive trading practices 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 brings disciplinary actions and imposes sanctions for any violations by any participants in these programs. |
| <i>Core Principle 13:<br/>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:<br/>Recordkeeping</i>                                     | Data with regard to the program 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.  |
| <i>Core Principle 19:<br/>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. 44/2012

ISSUE DATE: December 14, 2012  
EFFECTIVE DATE: January 2, 2013

### Renewal of Designated Market Maker Programs for Interest Rate Futures

#### Summary

This Notice announces the renewal of Designated Market Maker ("DMM") Programs in Eurodollar Futures and U.S. Treasury Futures (collectively "Interest Rate Futures") effective January 2, 2013 and extending through the March 31, 2013 trading session.

#### 1. Introduction

1.1 NYSE Liffe US Notice No. 31/2012 announced the appointment of market makers ("MMs") to participate in the Exchange's Interest Rate Futures DMM Programs commencing with the September 21, 2012 Trading Session and continuing through December 31, 2012.

#### 2. Renewal of the Designated Market Maker Programs

2.1 After considering the performance of the MMs participating in the current term of the Interest Rate Futures DMM Programs, which expire on December 31, 2012, the Exchange has determined to renew the Interest Rate Futures DMM Programs for a new term, commencing January 2, 2013 and continuing through March 31, 2013.

2.2 All DMM 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 monitor each MM's performance of market making activity under the contract and may adjust benefits otherwise due under the agreement and/or terminate the agreement if it determines the DMM has failed to perform its obligations as a DMM under the agreement.

2.3 Although the Exchange has renewed the DMM Program, MM's are not required to trade nor is the Exchange obligated to appoint any MMs.

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)

## **Attachment 1**

### **General Designated Market Maker Program for Interest Rate Futures**

#### **Eligible Participants**

- Market Participants

#### **Hours**

- Entire Trading Session: 7:16 p.m. – 5:00 p.m.[next day] New York Time (NYT) divided into three discrete sessions:
  - Overnight Session: 7:16 pm - 7:30 am NYT
  - European Session – 2:00 am to 12:00 pm NYT
  - US Session: 7:00 am – 5:00 pm NYT

#### **Program Term**

- January 2, 2013 – March 31, 2013

#### **Obligations**

- Market Participant that is registered as a market maker in this program must be in full compliance with Exchange rules;
- Post bids and offers at contracted bid/ask spreads and sizes during designated trading hours under normal market conditions in the following contracts and types of trades, as determined by contract with each individual market maker:
  - Treasury Futures (includes 2Y, 5Y, 10Y, 30Y, and Ultras):
    - Outright trades
    - Calendar rolls
  - Eurodollar Futures:
    - Outright trades
    - Calendar spreads
    - Butterflies
    - Packs and Bundles

#### **Incentives**

- Exchange fees waived;
- Rebate per side transacted up to certain limit in each of the Interest Rate Futures contracts; and
- Reimbursement for proven costs associated with equipment and technical configurations subject to a certain limit.

#### **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.

## Attachment 2

### Designated Exchange Partner Market Maker Program for Interest Rate Futures

#### Eligible Participants

- Members of NYSE Liffe Holdings, LLC (other than NYSE Euronext)

#### Hours

- Entire Trading Session: 7:16 p.m. – 5:00 p.m.[next day] ET divided into three discrete sessions:
  - Overnight Session: 7:16pm - 7:30am ET
  - European Session – 2:00 am to 12:00 pm ET
  - US Session: 7:00 am – 5:00 pm ET

#### Program Term

- January 2, 2013 – March 31, 2013

#### Obligations

- Market makers in this program must be in full compliance with Exchange rules
- Post bids and offers at contracted bid/ask spreads and sizes during designated trading hours under normal market conditions in the following contracts and types of trades, as determined by contract with each individual market maker:
  - Treasury Futures (includes 2Y, 5Y, 10Y, 30Y, and Ultras):
    - Outright trades
    - Calendar rolls
  - Eurodollar Futures:
    - Outright trades
    - Calendar spreads
    - Butterflies
    - Packs and Bundles

#### Incentives

- Reduced exchange fees if market maker exceeds minimum monthly trading volume.

#### 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.



Matt Lisle  
Deputy Chief Regulatory Officer  
NYSE Liffe US  
100 South Wacker, 18th Floor  
Chicago, IL 60606  
T +1 312 442 7984

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

**By Electronic Mail**

December 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: NYSE Liffe US Submission 2012-140 – Renewal of the Designated Market  
Maker Program for Eurodollar and U.S. Treasury Futures Contracts.**

Dear Mr. Stawick:

NYSE Liffe US LLC (“NYSE Liffe US” or the “Exchange”) in connection with NYSE Liffe US Submission 2012-140, announcing the renewal of the Designated Market Maker Program for Eurodollar and U.S. Treasury Futures Contracts which was filed today. 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 (312) 442-7984.

Yours truly,

Matt Lisle

Enclosure



Karl D. Cooper  
Chief Regulatory Officer  
NYSE Liffe US  
20 Broad Street, 10th Floor  
New York, NY 10005  
T +1 212-656-4300

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

**By Electronic Mail**

December 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, December 14, 2012, NYSE Liffe US LLC ("NYSE Liffe US" or the "Exchange") in connection with NYSE Liffe US Submission 2012-140, 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) 656-4568.

Yours truly,

Karl D. Cooper  
Enclosure