



LONDON NOTICE No. 2860

ISSUE DATE: 14 March 2007
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THREE MONTH EURO (EURIBOR) INTEREST RATE CONTRACT

EXTENSION OF TRADING HOURS

Executive Summary

This London Notice provides members with additional information in respect of the extension to the trading hours of the Three Month Euro (EURIBOR) Interest Rate Contract

1. Trading Hours

1.1 London Circular No. 06/34, issued on 3 October 2006, informed members of the Exchange's intention to extend the trading hours of the Three Month Euro (EURIBOR) Interest Rate Contract ("Euribor Futures Contract") in order to promote further its development as an international benchmark product.

1.2 This Notice informs members that, **with effect from Monday 25 June 2007**, the Euribor Futures Contract will open for trading each day at 01:00 hours (London time). The standard trading hours shall be a single continuous trading session from 01:00 to 21:00 hours (London time). There shall be no change to the trading hours of Options and Mid-Curve Options on the Euribor Futures Contract.

2. Operational Implications

2.1 The LIFFE CONNECT[®] standard session times for the Euribor Futures Contract on and from Monday 25 June 2007 shall be as follows:

Session Start	Pre-Open	Open	Pre-Close	Settlement	Close	Session Close
00:30	00:45	01:00	20:58	16:15	21:00	22:00

Web site: www.euronext.com/derivatives

The Euronext Derivatives Markets ("Euronext.liffe") include the markets for derivatives operated by Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euronext Paris and LIFFE Administration and Management, referred to respectively as the Amsterdam, Brussels, Lisbon, Paris and London markets.

- 2.2 Members should note that the Session Start time for all contracts on the Financials hosts will become 00:30 hours from 25 June 2007. Other than this impact, all other LIFFE products will be unaffected by the extension of trading hours for the Euribor Futures Contract.
- 2.3 Following consultation with members, the Exchange has resolved to make the Financials TRS system available during the additional trading hours. The Exchange is currently working to ensure that the Financials TRS system will be available from 01:00 hours on and from 25 June 2007, and intends to confirm this timing in due course.
- 2.4 Members should continue to ensure that trade processing is completed within one hour of trade execution in accordance with current trade processing procedures (LIFFE Circular No. 99/28, issued on 25 February 1999, refers). As noted in LIFFE Circular No. 99/28 there may be circumstances in which this deadline cannot be achieved. Members must seek to minimise any resultant delay.
- 2.5 There will be no change to the timing of the generation and publication of the daily Financials HIT report and the Financials SPAN parameters and risk arrays files.
- 2.6 The end-of-stream message for TSCS should continue to occur at approximately 22:05 hours (London time).

3. **Liquidity Conditions**

- 3.1 The revised trading hours further extend the availability of the Euribor Futures Contract outside normal business hours for the Euro-zone. As a consequence, members may expect liquidity during the additional trading hours to be at a lower level than is normally available during the current trading session for the Euribor Futures Contract.
- 3.2 To ensure a reasonable level of liquidity provision during the extended period, the Exchange will seek market making support. Further details of the market making scheme will be made available in due course.
- 3.3 Orders identified as “Good till Cancelled” will be active from the commencement of trading at 01:00 hours (London time) unless amended. Members should consider the impact of likely liquidity conditions on such orders where they are maintained in the market during the additional trading hours and make any amendments to the characteristics of those orders as they deem appropriate.

4. **Staffing Implications for Members**

- 4.1 Members should be aware that Euronext.liffe Rule 8106 (Rules, Book I) requires members to set up and maintain an appropriate system of internal controls which ensures that the member continuously complies with all requirements imposed by or pursuant to the Rules. Rule 8106 also requires members to have adequate arrangements to ensure that all staff involved in the conduct of business are suitable, adequately trained and properly supervised. Such internal controls shall necessarily apply to any market activity which the member enters into in respect of the Euribor Futures Contract during the extension to the trading session.
- 4.2 Given the nature of the change being made, the Exchange considers it appropriate to provide an indication of appropriate member staffing requirements. This does not, however, detract from the generality of Rule 8106. The Exchange considers it appropriate for members conducting business in the Euribor Futures Contract to have staff available to perform risk management, compliance and trade processing functions during the period in which they are active in the market. Suitable supervisory staff should also be available.

- 4.3 The Exchange acknowledges that for some members there may be a limited level of activity during the earlier part of the extended trading session and that therefore the risk management, compliance and trade processing functions may be carried out appropriately with a reduced staffing level. Similarly, some members may be able to make arrangements to transfer these functions to other operational centres. In such cases the member must ensure that the Exchange is able to contact the relevant personnel at all times.

For further information in relation to this Notice, please contact:

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