



## LONDON INFO-FLASH NO. LO08/16

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### **ROBUSTA COFFEE, COCOA, WHITE SUGAR AND RAW SUGAR FUTURES AND OPTIONS CONTRACTS**

### **EXTENSION OF NEW MARKET PARTICIPANTS SCHEMES IN INDIVIDUAL COMMODITY CONTRACTS**

#### **Executive Summary**

This Info-Flash informs Members of the renewed scheme for new market participants for each of the Robusta Coffee, Cocoa, White Sugar and Raw Sugar Futures and Options Contracts (“the Schemes”) and invites Members to apply on behalf of such participants.

#### **1. Introduction**

- 1.1 London Circular No. 07/21, issued on 15 August 2007, informed Members of the renewal of an incentive scheme aimed at new market participants in the Robusta Coffee, Cocoa and White Sugar Futures and Options Contracts for a 12 month period through to Friday 29 August 2008 inclusive.
- 1.2 The Exchange has determined that the scheme shall consist of:
  - (a) four separate schemes (“the Schemes”); one for each of the Robusta Coffee Futures and Options Contracts, the Cocoa Futures and Options Contracts, the White Sugar Futures and Options Contracts and the Raw Sugar Futures and Options Contracts (“the eligible Contracts”); and
  - (b) applications can be made such that a participant can be registered to one or more of the Schemes at any one time.
- 1.3 The Schemes will be open to applications for a period of twelve months up to and including Monday 31 August 2009.

#### **2. Eligibility for the Schemes**

- 2.1 The Schemes are open to any individual trader:

Web site: [www.euronext.com/derivatives](http://www.euronext.com/derivatives)

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- (a) who has not previously traded the eligible Contract for which they wish to register. This may include those individual traders who were registered under the previous scheme but did not trade the eligible Contract during the duration of that scheme;
  - (b) whose principal activities include trading futures or options on a discretionary basis for his own account, or for the proprietary account of an employer in which he has an interest; and
  - (c) whose trading activity will contribute to price discovery and will satisfy the futures or options order flow of other market participants.
- 2.2 For the avoidance of doubt, subject to the provisions outlined above a trader may register either concurrently or consecutively for each Scheme.
- 2.3 To be eligible, traders must also continue to receive suitable training support within their trading firm. Members are reminded of their overarching obligations under the Rules to organise and control their affairs in a responsible manner and to ensure that all staff involved in Exchange business are suitable, adequately trained and properly supervised. Relevant guidance in this regard was issued, inter alia, under cover of Circular No. 99/28 on 25 February 1999.

### **3. Qualifying Business**

- 3.1 “Qualifying Business” under each of the Scheme(s) is business executed in the relevant eligible Contract that is:
- (a) executed by, and assigned to, a person registered by the Exchange as a participant in the Scheme; and
  - (b) own/proprietary account business of the registered participant, or his employer, and not client business.
- 3.2 As stated above, the purpose of the Schemes is to incentivise new participants who intend to trade the relevant eligible Contract(s) for their own or proprietary accounts. Therefore, individuals who also intend to execute business on behalf of clients while participating in one or more of the Schemes should inform the Exchange.

### **4. Benefits**

- 4.1 Each registered participant will benefit from rebated Exchange transaction fees for Qualifying Business in the relevant eligible Contract(s) for the Scheme(s) in which they are registered. The month from which rebates will be provided (“the rebate trigger month”) will be the month in which the registered participant first trades in the relevant eligible Contract(s), subject to the rebate trigger month being no later than September 2009.
- 4.2 Each registered participant will receive the following benefits:
- (a) in respect of the rebate trigger month and the first and second months following the rebate trigger month, a full rebate of Exchange transaction fees incurred in respect of Qualifying Business in the relevant Contract(s); and
  - (b) in respect of the third, fourth and fifth months following the rebate trigger month, a rebate equal to 50% of Exchange transaction fees incurred in respect of Qualifying Business in the relevant Contract(s).

4.3 Standard LCH.Clearnet Ltd clearing fees of 3p per side, per lot will continue to apply to all business transacted by participants in the Schemes.

## **5. Application process**

5.1 Members wishing to apply for eligible traders to be included in one or more of the Schemes should request application forms by contacting their Account Manager or by sending an e-mail to [commodities@liffe.com](mailto:commodities@liffe.com). Completed application forms should be returned to the Member's Account Manager at Liffe **before** the end of a calendar month in order for the relevant traders to be included in a Scheme from the beginning of the following month. Applications may be made at any time **up to and including 31 August 2009**.

5.2 Those Members who do not already hold the relevant trading subscription (i.e. a commodity futures and/or commodity options trading subscription, as applicable) should contact [membershipops@liffe.com](mailto:membershipops@liffe.com). Members should also ensure that they have the appropriate clearing arrangements in place in relation to commodity contracts.

5.3 The Exchange's decision about whether to approve an application shall be final. Furthermore, the Exchange reserves the right to limit the number of participants in each of the Schemes. The Exchange also reserves the right to publish a list of Member firms participating in each of the Schemes

## **6. Administrative arrangements**

6.1 Once an individual has been registered for participation in a Scheme it will be necessary for the Exchange to be able to identify his trading through a unique entry into the User Specified field (a LIFFE CONNECT<sup>®</sup> field which translates into the Account Reference on TRS) used exclusively by the trader.

6.2 Transaction fees will be billed to clearing Members at the beginning of the month following the relevant transactions, on the basis of the standard Exchange transaction fee for the eligible Contract(s) concerned, and any transaction fees in respect of Qualifying Business transacted in the relevant eligible Contracts will be rebated in the next month to clearing Members (for example, in respect of Qualifying Business transacted in October 2008, transaction fees will be payable in November 2008 and rebates will be made at the beginning of December 2008) on the basis described in paragraphs 4.1 and 4.2 above.

For further information in relation to this Info-Flash, Members should contact their Account Manager or:

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