

LONDON INFO-FLASH NO. LO09/22

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CLEARING PROCESSING SYSTEM (“CPS”)**FUNCTIONALITY CHANGES - EXERCISE OF INDIVIDUAL EQUITY OPTION AND INDEX OPTION CONTRACTS UPON EXPIRY****Executive Summary**

This Info-Flash informs Members that amended functionality for the processing of exercise or abandonment of Individual Equity Option and Index Option Contracts on expiry days will be implemented on Monday 6 July 2009.

1. Amendments to the functionality provided by CPS for the expiration of Individual Equity Option (Exchange Contracts No. 201 and No. 201F) and Index Option Contracts (Exchange Contracts No. 129E and No. 351F) will be introduced with effect on and from Monday 6 July 2009.
2. At present, Members can manage the expiry of positions using a combination of CPS menu options 15 (AEX), Auto Exercise Instructions, and 17 (EXR), Exercise Notifications on expiry day. These options will be superseded, for expiring series only, by a new menu option 16 (OEX), Option Expiries.
3. From this new menu option, Members can manage their positions in expiring series only, by entering exercise and/or abandon instructions any time up until the Exercise Deadline. Members will also be able to generate new reports which will display the information held within menu option 16.
4. For the avoidance of doubt, these improvements will result in menu options 15 and 17 no longer being available for expiring series. Members should note that manual exercise instructions, in respect of non-expiring series, should continue to be submitted via CPS menu option 17. Default automatic exercise settings, as described in London Circular No. 08/02, dated 28 February 2008, remain unchanged but maintenance of these settings within menu option 15 should be performed on a business day prior to the expiry day.
5. The technical changes to support this functionality can be summarised as follows:
 - (a) Addition of new notification slip type ‘O’ in the TSCS feed, in order to support the introduction of abandon instructions;
 - (b) New screens (menu option 16) and updates to existing screens in order to display abandoned volume;

Web site: www.nyx.com/liffe

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- (c) Introduction of new Option Expiry reports (OEC/OEM); and
 - (d) Minor changes to the layout of existing reports, e.g. HIT and CMR, to include abandoned volume.
6. Members who have not already received training in relation to this new functionality should contact their Account Manager. Related documentation is available on the NYSE Euronext website at: www.nyse.com/nyse/liffe/clearing. This includes a user guide for Clearing staff as well as a detailed summary of technical changes. Alternatively, please contact either your Account Manager or NYSE Liffe Clearing staff, using the contact details provided below.

For further information in relation to this Info-Flash, Members should contact:

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