



U.S. COMMODITY FUTURES TRADING COMMISSION

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August 21, 2008

Kevin M. Foley
Katten Muchin Rosenman LLP
525 West Monroe Street
Chicago, IL 60661-3693

Re: Application of NYSE Liffe, LLC, for Designation as a Contract Market; request for the transfer to NYSE Liffe of the precious metals contracts currently listed for trading on the Board of Trade of the City of Chicago, Inc., and the transfer to NYSE Liffe of all associated existing open interest; and request for approval of the NYSE Liffe rules submitted as part of the NYSE Liffe, LLC, application for designation as a contract market.

Dear Mr. Foley:

By submissions dated June 3, 2008 through August 15, 2008 (collectively the "DCM application"), and Part 38 of the Commission's regulations, NYSE Liffe, LLC ("NYSE Liffe" or "Exchange") has applied to the Commodity Futures Trading Commission ("Commission"), pursuant to Section 5(b) of the Commodity Exchange Act ("Act"), 7 U.S.C. § 7(b), for designation as a contract market. The Commission has reviewed the materials submitted and has determined to designate NYSE Liffe as a contract market, pursuant to Section 5(b) of the Act, 7 U.S.C. § 7(b), subject to the terms and conditions of the accompanying order.

In addition, the Commission has approved the transfer to NYSE Liffe of all precious metals contracts ("Metals") traded on the Board of Trade of the City of Chicago, Inc. ("CBOT"), and associated existing open interest to NYSE Liffe. The Commission's approval of these transfers is based upon the representations of NYSE Liffe that the transfer of open positions will not affect the rights and obligations of any participants currently carrying positions in the Metals on the CBOT. The Commission also relies on the representation that NYSE Liffe will notify all CBOT members with open interest in the Metals at least 10 business days prior to the date that the Metals are transferred from CBOT to NYSE Liffe. The Commission further relies on the representation that NYSE Liffe will notify the Commission at least 10 business days prior to the date that the CBOT Metals are transferred to NYSE Liffe and will formally notify the Commission when the Metals have completed the transition to NYSE Liffe. The Commission finally relies on CBOT, CME and NYSE Liffe's representations that, upon legal consummation of the transfer, NYSE Liffe will assume responsibility for maintaining compliance with the designation criteria and applicable core principles for all contracts listed for trading by Exchange certification or Commission approval.

Concurrent with designation, the Commission approved, pursuant to Section 5c(c) of the Act, 7 U.S.C. §7a-2(c), the following documents submitted as part of the DCM application:

- NYSE Liffe Rules — 101-153; 201-204; 301-310; 401-426; 501-521; 601-616; 701-721; 801-804; 901; 1001-1002; 1101-1105; 1201-1214; 1301-1305; 1401-1414; 1501-1514; 1601-1605; and 1701-1714.
- Error Trade Policy Procedures.
- Pre-Execution Discussions Procedures.
- NYSE Liffe, LLC Regulatory Oversight Committee Charter.
- Limited Liability Company Agreement of NYSE Liffe, LLC.

The Commission's designation is based upon, among other things, written submissions, explanations, demonstrations and representations provided by the NYSE Liffe describing the manner in which it will operate. The Commission's designation is also based upon written submissions, explanations, demonstrations, and representations provided by:

- (1) NYSE Liffe and NYSE Euronext, the parent company of NYSE Liffe;
- (2) NYSE Euronext, the CBOT, and the Chicago Mercantile Exchange Group Inc. ("CME"), regarding the transition of the CBOT metals exchange to NYSE Liffe;
- (3) NYSE Liffe and the CME, a derivatives clearing organization that will perform clearing and settlement services for metals transactions trading on NYSE Liffe until March 29, 2009, when NYSE Liffe intends to appoint another derivatives clearing organization to clear metals trades;
- (4) NYSE Liffe and the National Futures Association ("NFA"), a registered futures association that will provide trade practice and market surveillance, other compliance services, and arbitrations for member/customer disputes and member/member disputes;
- (5) NYSE Liffe and LIFFE Administration and Management, a company that will continue to provide the existing electronic trading platform, Liffe Connect, that will accept, disseminate, match NYSE Liffe metals orders and provide front-line surveillance; and that will transition E-CBOT to Liffe Connect.
- (6) The CBOT and Atos-Euronext Market Solutions Limited ("AEMS"), now known as NYSE Euronext Technology ("NET"), regarding the continued servicing of the electronic trading platform, Liffe Connect, for metals trades on NYSE Liffe.

In approving NYSE Liffe's application, the Commission is not approving the agreements covering services between NYSE Liffe and third parties, including but not limited to agreements between NYSE Liffe and the CME and the CBOT, between NYSE Liffe and the NFA, between NYSE Liffe and LIFFE Administration and Management, or between the CBOT and AEMS.

Moreover, it is important to note that NYSE Liffe itself shall remain directly responsible for ensuring the performance of all self-regulatory functions required of it as a designated contract market under the Act and the Commission's regulations, including enforcement of all NYSE Liffe rules. The Commission points out that NYSE Liffe's responsibility for compliance with all designation criteria and core principles, as required by the Act and its Order of Designation, includes those for which relevant functions have been contracted out, whether the party performing the relevant function does so within or without the jurisdiction of the United States. The Commission notes this responsibility includes the responsibility to make available directly to Commission staff, upon request, for all third party entities that provide such regulatory services to NYSE: (i) information and records concerning their role in performing services for NYSE Liffe; and (ii) direct contact and access to offices, both as the Commission staff deems necessary and appropriate in the conduct of its regulatory oversight responsibilities relating to NYSE Liffe.

The Commission points out that its Order of Designation is subject to the following NYSE Liffe representations:

- a. NYSE Liffe agrees to provide the Commission with trade data on a T+1 basis, either directly or through its agent, in a form, content, and manner acceptable to the Commission. NYSE Liffe acknowledges the Commission's transition to a new FIXML data standard and commits to use of such standard within 60 days of the Commission staff's formal written request; and
- b. NYSE Liffe will install view only, market supervision screens at NFA. These screens will be installed as soon as reasonably practicable, but in no event later than the end of September 2008; and
- c. NYSE Liffe represents that the necessary software modifications will be completed such that all firms will be in a position to submit large trader reports to the Commission using the NYSE Liffe code no later than the end of October 2008.

Regarding the above FIXML data standard representation ("a"), Commission staff may agree to extend this period upon a reasonable showing of need by NYSE Liffe.

The Commission notes that the following items are considered "rules" under Part 40 of the Commission's regulations and that, accordingly, changes thereto should be submitted to the Commission for review pursuant to 5c(c) of the Act, 7 U.S.C. § 7a-2(c), and Part 40 of the Commission's regulations: (1) the exchange trading system; (2) any policies and procedures; (3) both the identity of and self-regulatory services provided to the exchange by third-party providers; (4) the no bust range for error trades and adjustments to the trade matching algorithm, including changes to Lead Market Maker programs; and (5) the minimum contract size thresholds and reporting times for block trades. In addition, the Commission reminds the Exchange that Position Limits or Position Accountability procedures must be specified for futures contracts listed by the Exchange. All Position Limits or Position Accountability

procedures should be submitted to the Commission in connection with the listing of each futures contract submitted under the Commission's certification or approval procedures.

The Commission further notes that NYSE Liffe must inform the Commission of any material modification to the operation of the Exchange, including the clearing and settlement arrangements provided by the CME, the arbitration services provided by the NFA or NYSE Liffe's self-regulatory program. The Commission also reminds NYSE Liffe that any change in the identity of regulatory service providers or the regulatory services they provide to the Exchange, or any modification to its trading system constitutes a rule change that must be submitted to the Commission pursuant to 5c(c) of the Act, 7 U.S.C. § 7a-2(c), and Part 40 of the Commission's regulations.

The Commission finally notes that, under the terms of the arrangement with CME, NYSE Liffe must contract with a new clearing services provider no later than March 2009. NYSE Liffe must notify the Commission no less than 60 days prior to the proposed change in its clearing services provider if the clearing services provider is an existing derivatives clearing organization registered with the Commission. The clearing services provider must be a derivatives clearing organization authorized to provide clearing services for NYSE Liffe in accordance with the requirements of the Act and with the capacity to do so. If the clearing services provider will be a new derivatives clearing organization, it must register with the Commission in accordance with Section 5b(a) of the Act and Part 39 of the Commission's regulations. Please note that the Commission has up to 180 days to review an application for registration as a derivatives clearing organization under Section 6(a) of the Act.

Sincerely,

A handwritten signature in black ink that reads "David A. Stawick". The signature is written in a cursive, flowing style.

David A. Stawick
Secretary of the Commission

UNITED STATES OF AMERICA

Before the

COMMODITY FUTURES TRADING COMMISSION

In the Matter of the Request of NYSE Liffe, LLC
for Designation as a Contract Market Under Section 5(b)
of the Commodity Exchange Act and Part 38 of the Rules
of the Commodity Futures Trading Commission

**ORDER OF DESIGNATION AS A CONTRACT MARKET AND
APPROVAL OF TRANSFER OF METALS CONTRACTS**

NYSE Liffe, LLC (“NYSE Liffe”), an indirect, wholly-owned subsidiary of NYSE Euronext, submitted an application, which includes submissions dated June 3, 2008 through August 15, 2008, pursuant to Section 5(b) of the Commodity Exchange Act, as amended (“Act”), 7 U.S.C. § 7(b), requesting: designation as a contract market, approval for the transfer of all the precious metals contracts (“Metals”), as listed in Appendix A, that have been trading on the Board of Trade of the City of Chicago, Inc. (“CBOT”), and the transfer of all associated existing open interest. Having reviewed the application, the accompanying NYSE Liffe representations, the transfer requests, and the complete record in this matter, the Commission adopts the reasons set forth in the August 15, 2008, Memorandum of the Division of Market Oversight as the basis for the following findings and rulings:

The Commission FINDS that, as required by Section 6(a), 7 U.S.C. § 8(a), the NYSE Liffe application provides a showing that it complies with the conditions set forth in the Act and the Commission’s regulations thereunder applicable to it for designation as a contract market,

and provides a sufficient assurance that it will continue to comply with the requirements of the Act and the Commission's regulations;

THEREFORE,

WHEREAS, NYSE Liffe represents that it will meet all the requirements for contract market designation under Section 5(b) of the Act, comply with all core principles applicable to designated contract markets under Section 5(d) of the Act and the Commission's regulations thereunder and remain subject to and compliant with all provisions of the Act and the Commission's regulations applicable to designated contract markets, including self-regulatory responsibilities applicable to designated contract markets under the Act and the Commission's regulations;

AND WHEREAS, NYSE Liffe and Liffe Market Services ("LMS"), a division of LIFFE Administration and Management, have represented that LMS, in performing real-time market surveillance and other services for NYSE Liffe, as described in the Liffe Market Services Operational Procedures previously filed with the Commission, will make available directly to Commission staff, upon request, information concerning such activities and records that will be created in connection with such services and also agrees that Commission staff can contact LMS staff directly and visit LMS offices as the Commission staff deems necessary and appropriate in the conduct of its regulatory oversight responsibilities relating to NYSE Liffe;

AND WHEREAS, NYSE Liffe and NYSE Euronext Technology ("NET"), formerly known as Atos-Euronext Market Solutions Limited ("AEMS"), have represented in relation solely to NET's role in providing technology services to NYSE Liffe, NET will make available directly to Commission staff, upon request, information and records concerning such services and agrees that Commission staff can contact NET staff directly and visit NET offices as the

Commission staff deems necessary and appropriate in the conduct of its regulatory oversight responsibilities relating to NYSE Liffe;

AND WHEREAS, NYSE Liffe has notified the Commission that it has signed an agreement with CBOT and the Chicago Mercantile Exchange, Inc. ("CME"), to acquire the ownership of, and to transfer to NYSE Liffe, all contracts listed in Appendix A that have heretofore been listed for trading on CBOT pursuant to Commission approval under the procedures of Section 5c(c)(2) of the Act and Commission Regulation 40.5 or pursuant to exchange certification under the procedures of Section 5c(c)(1) of the Act and Commission Regulation 40.6 and to transfer all associated, existing open interest;

AND WHEREAS, NYSE Liffe has represented that the transfer of open positions will not affect the rights and obligations of any participants currently carrying positions in the Metals on the CBOT;

AND WHEREAS, NYSE Liffe has represented that NYSE Liffe will notify all CBOT members with open interest in the Metals at least 10 days prior to the date that the CBOT Metals and open interest will be transferred from CBOT to NYSE Liffe;

AND WHEREAS, NYSE Liffe has represented that NYSE Liffe will notify the Commission at least 10 business days prior to the date that the CBOT Metals are transferred to NYSE Liffe and will formally notify the Commission when the Metals have completed the transition to NYSE Liffe;

AND WHEREAS, the CBOT, CME and NYSE Liffe have represented that, upon legal consummation of the transfer, NYSE Liffe will assume responsibility for maintaining compliance with the designation criteria and applicable core principles for all contracts listed for trading by Exchange certification or Commission approval;

IT IS HEREBY ORDERED that NYSE Liffe's application for designation as a contract market is approved;

IT IS FURTHER ORDERED that (i) the transfer of all Metals contracts currently listed for trading on the CBOT, as listed in Appendix A, to NYSE Liffe, and (ii) the transfer of all associated existing open interest in such contracts to NYSE Liffe are both approved; and

IT IS ALSO ORDERED, that this designation as a contract market shall be subject to NYSE Liffe's compliance with representations it made to the Commission by way of a letter dated July 24, 2008, such that:

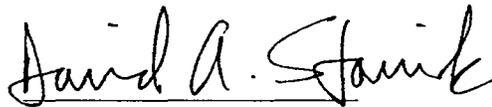
- a. NYSE Liffe agrees to provide the Commission with trade data on a T+1 basis, either directly or through its agent, in a form, content, and manner acceptable to the Commission. NYSE Liffe acknowledges the Commission's transition to a new FIXML data standard and commits to use of such standard within 60 days of the Commission staff's formal written request; and
- b. NYSE Liffe will install view only, market supervision screens at NFA. These screens will be installed as soon as reasonably practicable, but in no event later than the end of September 2008; and
- c. NYSE Liffe represents that the necessary software modifications will be completed such that all firms will be in a position to submit large trader reports to the Commission using the NYSE Liffe code no later than the end of October 2008.

IT IS FINALLY ORDERED that this approval of (i) the application for contract market designation; (ii) the request to transfer all Metals currently listed for trading on the CBOT, as listed in Appendix A, to NYSE Liffe, and (iii) the associated request to transfer all associated

existing open interest in such contracts to NYSE Liffe, shall all be subject to compliance by NYSE Liffe with all sections of the Act and the Commission's regulations thereunder, including all regulatory services performed by third party service providers, within or without the jurisdiction of the United States and all representations and submissions made by NYSE Liffe in support of this application, applicable to NYSE Liffe as a designated contract market.

Issued in Washington, D.C. this 21 day of August, 2008.

By the Commission

A handwritten signature in black ink that reads "David A. Stawick". The signature is written in a cursive style with a horizontal line underneath the name.

David Stawick
Secretary

APPENDIX A

NYSE LIFFE CONTRACT MARKET DESIGNATION AND CONTRACTS

	NYSE LIFFE Products	Futures/Options
1.	100 Oz. Gold	Future/Option
2.	Mini-Sized Gold	Future
3.	5,000 Oz. Silver	Future/Option
4.	Mini-Sized Silver	Future