



London
Stock Exchange

London Stock Exchange Derivatives: Membership Application Form for US persons

December 2013



London
Stock Exchange Group



Introduction

This form should be completed by applicants located in the United States of America seeking membership of the London Stock Exchange Derivatives Market only. Before completing the form, please contact the Membership Team who will explain the application process and advise you on other key considerations.

Rules

All Member Firms are bound by the Rules of the London Stock Exchange and must ensure compliance with these rules. The Derivatives Market Rulebook and further guidance on your obligations as a Member Firm are available on the Exchange website: <http://www.londonstockexchange.com/traders-and-brokers/rules-regulations/rules-regulations.htm>

Trading Services

Details of London Stock Exchange trading services, including Service Descriptions, security details, Price Lists and Contract Specifications are available for review on the Exchange website: <http://www.lseg.com/areas-expertise/our-markets/london-stock-exchange/equities-markets/trading-services>

Clearing

Your firm will need arrangements for the clearing of trades executed on the Derivatives Market. The clearing configuration will need to be detailed using a Static Data Form - this form will be sent to you following submission of your Membership Application Form.

Trading System Access & Real Time Data

In order to access to the London Stock Exchange's trading and information systems, you will need to complete the relevant service order forms. In particular, you will need to complete a Trading Services Order Form and return this with your Membership Application form. If you wish to receive real time market data direct from the London Stock Exchange, you will need to complete an Information Licence Agreement. Full details of the different services along with related order forms and technical specifications can be found on the Exchange website: <http://www.lseg.com/areas-expertise/our-markets/markets-membership/london-stock-exchange-become-member>

Returning Your Application

Completed forms and supporting documentation can be returned via email or facsimile but an original signed copy of this form should follow by mail – contact and correspondence details are provided below.

Membership Team
London Stock Exchange
10 Paternoster Square
London
EC4M 7LS
United Kingdom

e-mail: membership@lseg.com
Telephone: +44 (0)20 7797 1900
Facsimile: +44 (0)20 7959 9800



1. Applicant Details

1a. Name of Legal Entity	
Country of Incorporation	
Registered Office Address	
Telephone	
Web Address/URL	

Copy of Certificate of Incorporation or equivalent enclosed

1b. Head Office Address
(if different from Registered
Office Address)

1c. Application Contact Name

Job Title

Telephone Number

Email Address

1d. Category of Membership

Applicants applying from the United States of America are only permitted to access the London Stock Exchange Derivatives Market to trade contracts approved by the relevant regulator. As per Rule 1000, please confirm the category of membership you wish to apply for:

We apply to be a Derivatives Market Member **only**

1e. London Stock Exchange Rules Compliance

All Member Firms have specific obligations under the Rules of the London Stock Exchange ('the Rules'). The applicant must confirm that it understands its obligations under the Rules and will update its procedures and controls to reflect the Rules before commencing activity as a Member Firm.

We understand our obligations under the Rules and will update our procedures and controls accordingly.

1f. Ownership & Group Entities

Details of the ownership of the applicant company must accompany your application; the mandatory threshold for inclusion of shareholder details is an interest of 20% or more. In addition, please provide a diagram detailing the applicant company group structure (parents, subsidiaries, affiliated entities).

Beneficial ownership and group entity details enclosed



1g. Regulatory Authorisation

Registered with the Commodity Futures Trading Commission
National Futures Association (NFA) ID Number: _____

Registered Broker/ Dealer with Securities & Exchange Commission
SEC Broker/ Dealer Registration # _____
Central Registration Depository (CRD) Number _____

Not Authorised in the United States of America*

Other Self Regulated Organisation Memberships
Please provide details below:

** US applicants who are not registered with CFTC or SEC will be required to provide further information. Such firms will be permitted to carry out proprietary trading only and all trades must be cleared by a Futures Commission Merchant or a 30.10 exempt entity. Please contact the London Stock Exchange Membership Team for further details.*

1h. Disciplinary History

The questions below relate to the applicant, the key appointments listed by the applicant in section 2, and to all its group undertakings, as defined in Section 1161 of the Companies Act 2006 (each a "Relevant Party"). Your replies should set out material events which occurred in the past 6 years and should include events that have occurred anywhere in the world. If in doubt as to the materiality or relevance of the event, please disclose the event.

- i) Has any Relevant Party been convicted of any criminal offence?
- ii) Has any Relevant Party been the subject of an adverse finding by, or settlement with, any government agency, court, securities exchange, regulatory body or tribunal (each an "Authority")?
- iii) Has any Relevant Party been a director, partner or otherwise concerned in the management of a business which has gone into insolvency, liquidation or administration or the equivalent proceedings in a non-UK jurisdiction while the Relevant Party has been connected with such organisation or within one year of that connection?
- iv) Has any Relevant Party been declared bankrupt or entered into any compromise arrangements with creditors related to bankruptcy or insolvency?
- v) Has any Relevant Party been the subject of any disciplinary or criminal proceedings or been the subject of any investigation by any Authority which may lead to such proceedings?
- vi) Has any Relevant Party been:
 - refused authorisation or license to carry on a trade, business or profession or to be a member of a securities exchange;
 - had any such authorisation, membership or license revoked or terminated;
 - or been disqualified from acting as a director?

No Yes *if Yes, please provide full details on a separate sheet*



1i. Money Laundering

Please confirm if the applicant is subject to relevant anti-money laundering legislation/ regulation:

Yes No

Please confirm if the applicant has in place appropriate measures to prevent it from being used as a vehicle for money laundering or terrorist financing:

Yes No

2. Key Appointments

Please provide details of the appropriate key personnel listed below. The London Stock Exchange may request further information or seek references regarding any nominated individuals. If the applicant is not authorised (as per declaration in Section 1g), please enclose curriculum vitae for the appointments with your application.

2a. Chief Executive Officer

Telephone Number

Email Address

2b. Head of Compliance

Telephone Number

Email Address

2c. Head of Trading

Telephone Number

Email Address

If different to the 2b, please provide details of the individual that will be the principal compliance contact for London Stock Exchange business. The compliance contact should be available during London Stock Exchange trading hours; further compliance contacts can be provided on a separate sheet if required.

2d. Compliance Contact Name

Job Title

Telephone Number

Mobile Number

Email Address



3. UK Stamp Duty Reserve Tax

3b. UK Stamp Duty Reserve Tax

Firms wishing to apply for options intermediary status and relief from UK Stamp Duty Reserve Tax must ensure they meet appropriate criteria and complete the relevant self-declaration form.

For Derivatives Market, please enclose Recognised Options Intermediary Self Declaration Form

4. Connectivity

4a. Connecting to the Exchange

Please provide details of how your firm plans to connect to the Exchange's trading system(s):

- Exchange Hosting
- Extranex
- Network Service Provider Please specify provider: _____
- Vendor Access Network Please specify provider: _____
- Customer-Managed Connectivity Please specify provider: _____
- VPN (*Derivatives trading only*)
- No direct connectivity

5. Derivatives Market Trading Profile

5a. Trading Capacity

Please indicate in which capacities your firm will be trading:

- Broker (agency) Market Maker Proprietary Trader

Please note: If a firm wishes to become a registered market maker, they will need to complete a separate [Derivatives Market Making Agreement](#) detailing the instruments they wish to register in

5b. Derivatives Trading

Please indicate whether your firm requires:

- Order Entry & Trade Reporting
- Order Entry only
- Trade Reporting only



5c. System Controls *(only required if you require order entry services)*

Applicants should utilise appropriate order validation controls and system alerts to ensure an orderly market and meet their obligations under the Rules.

Please complete the [System Controls Questionnaire](#), including a diagram detailing the flow of trading instructions from the firm to the London Stock Exchange and where controls are applied.

System Controls Questionnaire enclosed

5d. Authorised Persons

Only nominated individuals will be able to contact the London Stock Exchange to request order deletions and other information relating to member trading on the Derivatives Market.

Authorised individuals should be detailed on the [Derivatives Authorised Persons Schedule](#) which is available on the Exchange website.

Derivatives Authorised Persons Schedule enclosed

5e. Clearing

We must receive confirmation that appropriate clearing arrangements are in place for order book and bilaterally negotiated trades. Please indicate how your firm intends to clear its business:

As a Non Clearing Member (NCM) using General Clearing Member _____

As an Individual Clearing Member (ICM)

As a General Clearing Member (GCM)

Applicants will also need to complete an LCH.Clearnet Derivatives Static Data which will be sent to them for completion following submission of their Membership Application Form.



6. Applicant Declaration

We apply for membership of the London Stock Exchange Derivatives Market only.

We authorise the London Stock Exchange to obtain information from, and pass information to, regulatory authorities in the United Kingdom and elsewhere for regulatory purposes. In particular the London Stock Exchange may share information regarding the applicant as is necessary to complete this membership application.

We declare that the information provided is complete and accurate and we agree, if approved, to comply with and be bound by the Rules of the London Stock Exchange, which are or may be in force from time to time. Membership and member firm status will allow access to the Exchange's facilities on the terms specified in the Rules.

We declare that we will update our procedures and controls to reflect the Rules of the Exchange. We will notify the Exchange of any other information, which is relevant to the application and will immediately notify the Exchange of any significant changes in the information provided in this application form which occur after the date of submission of the application and prior to receiving notification of the Exchange's decision.

We understand that without limitation to rules, the Exchange may in its absolute discretion refuse to accept a notice of resignation given by a member firm, or reject such notice until such member firm has paid any subscription, charge or other sum due to the Exchange.

We also understand that misleading or attempting to mislead the Exchange during the application process will be deemed an act of misconduct and may render the applicant liable to disciplinary proceedings.

We understand that the UK Financial Conduct Authority's Code of Market Conduct applies to all activity conducted on the Exchange and we will undertake to keep up to date on any developments on this.

We confirm that our activities in the UK fall within the scope of the overseas persons' exclusions as set out in Article 72 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.

This declaration must be signed by two directors/partners of the entity applying for membership.

Signatures

For and on behalf of:

Name of Director/Partner:

Name of Director/Partner:

Date:

Date:

Signature

Signature



7. Data Protection Information

For the purposes of the Data Protection Act 1998 and the Privacy and Electronic Communications (EC Directive) Regulations 2003, the information provided in this order form will be used by the Exchange for the purposes of providing you with products, services and data that you have ordered or may be interested in.

Please tick the appropriate boxes if you do **not** wish the Exchange to contact you by

Telephone Fax Email Post

The Exchange may also provide customer data to its affiliates and carefully selected third parties who may contact you about services that may be of interest to you. If you do **not** wish such contact, please tick the appropriate box:

We do not wish the Exchange's affiliate companies to contact us

We do not wish third parties to contact us