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SEC. OF THE SECRETARIAT

Karl D. Cooper  
Chief Regulatory Officer  
NYSE Liffe  
20 Broad Street, 10th Floor  
New York, NY 10005  
T +1 212 656 4300

**By Electronic Mail**

January 16, 2009

Mr. David A. Stawick  
Secretary  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street NW  
Washington DC 20581

**Re: 2009-101 NYSE Liffe, LLC – Notice 2/2009 – Transfers of Positions and Netting of Concurrent Long and Short Positions**

Dear Mr. Stawick:

I write in accordance with the provisions of Commodity Futures Trading Commission (“Commission”) Rule 40.6 providing for the self-certification of exchange rules. Specifically, this letter advises the Commission that NYSE Liffe, LLC (“NYSE Liffe” or “Exchange”) has issued a Notice to Members No. 2/2009 (the “Notice”), providing guidance on and supplementing NYSE Liffe Rules 424 (Transfer of Positions) and 1104 (Rules of the Clearing Service Provider).

I enclose a submission cover sheet in accordance with the instructions in Appendix D to Part 40 of the Commission’s rules. NYSE Liffe hereby confirms that Notice 2/2009 complies with the Commodity Exchange Act and the Regulations thereunder.

If you have any questions, please call me at (212) 656-4568.

With best regards,

A handwritten signature in black ink that reads "Karl D. Cooper".

Karl D. Cooper  
Enclosures



## NYSE LIFFE NOTICE No. 2/2009

ISSUE DATE: January 16, 2009  
EFFECTIVE DATE: January 22, 2009

### Transfers of Positions and Netting of Concurrent Long and Short Positions

#### Summary

This Notice sets forth limitations on the transfer of positions and the netting of concurrent long and short positions. This Notice provides guidance on and supplements NYSE Liffe Rules 424 (Transfer of Positions) and 1104 (Rules of the Clearing Service Provider).

#### 1. Introduction

- 1.1 Rule 424 allows a Clearing Member to transfer a position on its books under certain circumstances. It includes certain restrictions and requirements for such transfers. Rule 1104 provides that the Exchange's Clearing Service Provider's Rules will govern the rights and obligations of purchasers and sellers of cleared Contracts.
- 1.2 This Notice sets forth an additional limitation relevant to the transfer of positions allowed under Rule 424 and the application of the Clearing Service Provider's Rules to the extent that those rules govern the netting of concurrent long and short positions.

#### 2. Netting of Offsetting Long and Short Positions

- 2.1 Commodity Futures Trading Commission Rule 1.46 generally requires Clearing Members carrying customer accounts, unless instructed otherwise, to apply offsetting trades to a customer's existing, open positions to offset such positions *on the same day* as the offsetting trade.
- 2.2 Concurrent long and short positions in the same Contract and Delivery Month held by the same beneficial owner may only be offset by:
  - (a) Purchases and sales executed on the NYSE Liffe Trading Platform;
  - (b) Exchange for Physical transactions permitted by Rule 422;
  - (c) Block Trades permitted by Rule 423;
  - (d) Deliveries through the normal delivery process; or
  - (e) Through the netting or adjustment of positions, if, and only if, (i) one of the positions is transferred, (ii) the transfer date of the position and the trade date of the transferred position are the same, and (iii) the netting or adjustment occurs on the same date as the transfer of the position.
- 2.2 The only exceptions allowed are in circumstances where (A) (i) the offsetting positions are the result of a bona fide error, (ii) the netting or adjustment is made on the same day that the error



is discovered and (iii) the amount of the offset is less than one percent of the open interest of the Contract and Delivery Month involved, or (B) otherwise as the Market Regulation Department may allow, based on exceptional circumstances demonstrated by a Clearing Member.

For further information in relation to this Notice, Members should contact the following:

Market Regulation Department	1 212 656 4300	nyseliffe@nyx.com
Front-line surveillance	(+1) 866 933 5032	NYLOperations@nyx.com
Administration	(+1) 866 592 2693	NLmarketservices@nyx.com
Chicago Office	1 312 442 7730	nyseliffe@nyx.com