



**NYSE Liffe<sup>SM</sup>**  
U.S.

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COMMODITY FUTURE REGISTRATION

**By Electronic Mail**

March 26, 2009

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

**Re: 2009-106 NYSE Liffe, LLC – OCC Clearing Migration Supplement – Legal and Operational Issues**

Dear Mr. Stawick:

I am the Chief Regulatory Officer of NYSE Liffe, LLC (“NYSE Liffe US”). Pursuant to U.S. Commodity Futures Trading Commission Rule 40.6, I enclose a Cover Sheet for NYSE Liffe, LLC Submission 2009-106 and NYSE Liffe US Notice 7/2009. Notice 7/2009 announces NYSE Liffe US rule amendments related to legal and operational issues associated with the migration of the clearing function for the futures and options on futures contracts traded on NYSE Liffe US from CME Clearing to The Options Clearing Corporation. The rule amendments are set forth in blacklined format in Appendix A to Notice 7/2009, which is also attached.

NYSE Liffe US hereby confirms that Notice 7/2009 and the above-described rule amendments comply with the Commodity Exchange Act and the Regulations thereunder.

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

With best regards,

Karl D. Cooper

Enclosures



## NYSE LIFFE U.S. NOTICE No. 7/2009

ISSUE DATE: March 26, 2009  
EFFECTIVE DATE: March 30, 2009

### NYSE Liffe U.S. – OCC Clearing Migration Supplement – Legal and Operational Issues

#### Summary

This Notice announces additional amendments to the Exchange's Rules relating to the migration of clearing from CME Clearing to The Options Clearing Corporation, starting as of the March 30, 2009 Trading Session, relating to legal and operational issues.

#### 1. Introduction

1.1 In Notice 4/2009, the Exchange announced certain rule amendments and changes in operational procedures related to the migration of clearing of the Exchange's Contracts from CME Clearing ("CME") to The Options Clearing Corporation ("OCC"). Set forth below are additional changes relating to legal and operational issues relevant to OCC's role as the Exchange's Clearing Service Provider commencing with the March 30, 2009 Trading Session. Attached as Appendix A is a blacklined copy of the relevant Rule Amendments. Added language appears in underscored green colored text, and deleted language appears in the righthand margin.

#### 2. Security Interests in Vault Receipts and Warehouse Depository Receipts involved in the Delivery of Exchange Futures Contracts

2.1 Added language in new subsection (c)(i) to each of Rules 1208, 1408, 1508 and 1708 clarifies that each Clearing Member grants the Exchange a security interest in all such Clearing Member's vault receipts and warehouse depository receipts ("WDRs") entered into the NYSE Liffe Guardian Delivery System to secure the payment of storage fees associated with such vault receipts or WDRs.

2.2 Pursuant to a Clearing Services Agreement entered into by OCC and the Exchange, the Exchange has amended Rules 1208, 1408, 1508 and 1708 to make clear that (i) Clearing Members grant a security interest to OCC as the Clearing Service Provider in any vault receipt or WDR involved in the delivery of an Exchange Futures Contract as set forth in those Rules as amended, (ii) such security interest remains in effect during the delivery process, (iii) the lien of the Exchange is waived from the beginning of the delivery process until 11:00 am, New York time, on the date on which delivery is supposed to occur (regardless of whether or not settlement does in fact occur) and (iv) the lien of the Exchange is immediately reinstated after such time, provided that the Exchange has not received notice from the OCC of a Clearing Member default. In addition, the amendments state that, by going to delivery, each Clearing Member represents and warrants that there are no liens, encumbrances on or defense to the relevant vault receipts or WDRs, other than those specified in the Rules. The

amendments also make clear that Clearing Members understand and agree that the Exchange, in operation of the NYSE Liffe Guardian Delivery System, agrees to maintain as agent on behalf of OCC any such vault receipts or WDRs during the delivery process. The relevant amendments are found in language added in a new sub-section (c)(ii) added to each of Rules 1208, 1408, 1508 and 1708.

- 2.3 In addition, as an aid to the reader, miscellaneous headings, sections and sub-sections were added to the previously unenumerated multiple paragraphs found in Rules 1208, 1408, 1508 and 1708.
- 2.4 For the sake of clarity, new Rule 157 was added to the Definitions found in Chapter One of the Rules to make “WDR” a defined term throughout the Rules, and separate definitions of the term were removed from Rules 1408 and 1708.
3. **Miscellaneous Additional Amendments to Reflect Operational Changes Resulting From the Substitution of OCC for the CME as the Exchange’s Clearing Service Provider**
  - 3.1 The amendments found in the second paragraph of each of Rules 1213, 1413, 1513 and 1713 reflect changes in the pay and collect process resulting from the replacement of CME with OCC as Clearing Service Provider for the Exchange commencing with the March 30, 2009 Trading Session.
  - 3.2 For the sake of clarity, new Rule 140 was added to the Definitions found in Chapter One of the Rules to make “OCC” a defined term throughout the Rules.
4. **Clarifying Amendments Regarding Delivery Operations and the Substitution of the NYSE Liffe Guardian Delivery System for the CME**
  - 4.1 Amendments to subsection (a)(ii) of each of Rules 1208, 1408, 1508 and 1708 and subsection (b) of each of 1408 and 1708 are designed to update the Rules to reflect previously announced procedures involved in the operation of the electronic delivery system. See Notice 8/2008. These procedures will be carried forward in operation of the NYSE Liffe Guardian Delivery System. Among other things, these amendments specify, consistent with Notice 8/2008, that physical vault receipts must be deposited with the Central Depository before certain deadlines on seller’s notice day, which is the second business day prior to the day of delivery.
  - 4.2 Added language found in section (b)(i) of each of Rules 1208 and 1508 and in sections (a)(iii) and b(i) of each of Rules 1408 and 1708 clarifies that electronic transfer as described in the Rules constitutes endorsement.
  - 4.3 Added language found in section (b) of each of Rules 1208 and 1508, and sub-section (a)(iii) of each of Rules 1408 and 1708, regarding endorsements, clarifies the use of the endorsement lines found on the NYSE Liffe US form of paper vault receipts.
  - 4.4 For the sake of clarity, new Rules 109 and 136 were added to the definitions found in Chapter One of the Rules to make “Central Depository” and “NYSE Liffe Guardian Delivery System” defined terms.

\* \* \* \*

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

Market Regulation	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
New York Office	1 212 656 4300	nyseliffe@nyx.com
Chicago Office	1 312 442 7730	nyseliffe@nyx.com

**NYSE Liffe U.S. Notice 7/2009**  
**APPENDIX A**

**NYSE LIFFE US Rule Amendments Related to the Migration of  
Clearing of Gold and Silver Futures and Options on Futures  
Contracts From CME Clearing to The Options Clearing  
Corporation<sup>1</sup>**

**CHAPTER 1**  
**DEFINITIONS AND INTERPRETATION**

**Definitions**

**101 – 108.**

No changes

**109. Central Depository**

The term “Central Depository” means the vault or other organization as announced by the Exchange, from time to time, that holds, on the Exchange’s behalf and as the Exchange’s agent, the immobilized vault receipts issued by vaults declared regular by the Exchange that are entered into the NYSE Liffe Guardian Delivery System.

**110 – 135.**

No changes, other than renumbering.

**136. NYSE Liffe Guardian Delivery System**

The term “NYSE Liffe Guardian Delivery System” means the delivery system operated by the Exchange or one of its affiliates on the Exchange’s behalf through which physical delivery of Contracts may be effected by Clearing Members.

**137 -139.**

No changes, other than renumbering.

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<sup>1</sup> Please note that the rule amendments included in this Appendix A to Notice 7/2009 does not include those amendments announced in Notice 4/2009 related to the migration of the clearing NYSE Liffe US futures and options on futures contracts to OCC.

**140. OCC**

The term "OCC" means The Options Clearing Corporation.

141 -156. No changes, other than renumbering.

**157. WDRs**

The term "WDRs" shall mean warehouse depositary receipts that are created by the Exchange from registered vault receipts issued by vaults which have been declared regular for delivery of Gold or Silver by the Exchange, utilizing the NYSE Liffe Guardian Delivery System.

**Rules of Interpretation**

No Changes.

**CHAPTERS 2 THROUGH 11**

No changes.

**CHAPTER 12  
100 OZ. GOLD FUTURES**

1201 – 1207.

No changes.

**1208. Deliveries by Vault Receipts**

**(a) Timing of Delivery and Issuance of Vault Receipt**

(i) Where Gold is sold for delivery in a specified month, delivery of such Gold may be made by the seller upon such day of the specified month as the seller may select. If not previously delivered, delivery must be made upon the last business day of the month.

(ii) In order to be valid for delivery against a futures contract, a vault receipt in electronic form must be entered on the NYSE Liffe Guardian Delivery System based on the deposit of a vault receipt in paper form issued in accordance with the requirements under Rule 1202. Such paper vault receipt must be issued and deposited with the Exchange's Central Depository before 12:00 p.m. New York time on seller's notice day, which is the second business day prior to the day of delivery; however, in the case of delivery on the last delivery day of the delivery month, such paper vault receipt must be issued before 11:00 a.m. New

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York time on seller's notice day. Deliveries on Gold futures contracts shall be made by book entry in the NYSE Liffe Guardian Delivery System, reflecting the change in ownership interests in vault receipts in paper form issued by vaults which have been approved and designated as regular vaults by the Exchange for the storage of Gold, using the electronic fields which the Exchange and the Clearing Service Provider require to be completed. Gold in bars must come to the regular vault directly from an approved source or from another regular vault either on NYSE Liffe US or the COMEX Division of the New York Mercantile Exchange, Inc., by insured or bonded carrier.

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**(b) Endorsement of Vault Receipts**

(i) In order to effect a valid delivery, each vault receipt must be endorsed by the Clearing Member making the delivery; any transfer by electronic means of a vault receipt as set forth above in subsection (a) of this Rule 1208 constitutes an endorsement with respect to such vault receipt. In the event that a vault receipt is transferred outside of the NYSE Liffe Guardian Delivery System (an "Outside Transfer"), endorsement with respect to such Outside Transfer will be made physically on such vault receipt and, if such vault receipt is subsequently entered into the NYSE Liffe Guardian Delivery System, such endorsement will remain as a record with respect to such Outside Transfer. By any endorsement, the endorser shall be deemed to warrant, to his transferee and each subsequent transferee of the receipt for delivery on Exchange contracts, and their respective immediate principals, the genuineness, validity, and worth of such receipt, the rightfulness and effectiveness of his transfer thereof, and the quantity and quality of the Gold shown on the receipt. Such endorsement shall also constitute a representation that all storage charges have been paid up to and including the business day following the day of delivery. Prepaid storage charges shall be charged to the buyer by the seller for a period extending beyond the business day following the day of delivery (but not in excess of one year) pro rata for the unexpired term and adjustments shall be made upon the invoice thereof.

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(ii) In the event such Exchange Member or principal shall claim a breach of such warranty, and such claim relates to the quantity or quality of the Gold, the lot shall be immediately submitted for sampling and assaying to an assayer approved by the Exchange; the Gold must be shipped under bond, and at the owner's expense, to the assayer. The expense of sampling and assaying shall, in the first instance, be borne by the claimant. If a deficiency in quantity or quality shall be determined by the assayer, the claimant shall have the right to recover the difference in the market value and all expenses incurred in connection with the sampling and assaying and any cost of replacement of the Gold. The claimant may, at his option, proceed directly against the original endorser of the vault receipt upon Exchange delivery, or against any endorser prior to claimant without seeking recovery from his immediate deliverer on the Exchange contract, and if the claim is satisfied by the original endorser of the vault receipt, or any other endorser, all the endorsers will be thereby discharged

from liability to the claimant. If the claimant seeks recovery from any endorser and his claim is satisfied by such endorser, the party thus satisfying the claim will have a similar option to claim recovery directly from any endorser prior to him. Such claims as are in dispute between Members of the Exchange may in each case be submitted to arbitration under the Rules of the Exchange.

(iii) The liability of an endorser of a vault receipt as provided herein shall not be deemed to limit the rights of such endorser against any person or party for whose account the endorser acted in making delivery on an Exchange contract. If it shall be determined in such arbitration proceeding that any endorser of a vault receipt or the person or party for whom such endorser acted was aware of the breach of warranty or was involved in a plan or arrangement with the original endorser (or his principal) to place such inferior Gold in store in a regular vault for use in deliveries upon Exchange contracts, such endorsers shall not be entitled to recover from any prior endorser for the breach of warranty,

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**(c) Security Interest in Vault Receipts and WDRs**

(i) Each Clearing Member that has an interest in a vault receipt or a WDR hereby grants a valid and enforceable security interest (the "Exchange Lien") to the Exchange in all of such Clearing Member's vault receipts or WDRs to secure all charges or fees associated with the custody of such vault receipts or WDRs and the Gold underlying such vault receipts or WDRs.

(ii) Each Clearing Member, by entering into the delivery process, understands that, pursuant to an Agreement for Clearing and Settlement Services, dated as of March 9, 2009, between OCC and the Exchange, the Exchange has agreed to maintain as agent on behalf of OCC as Clearing Service Provider any vault receipt or WDR with respect to which a selling Clearing Member has delivered to the Exchange a notice of intent to deliver such vault receipt or WDR in settlement of a Contract (a "Notice of Intent"), from the time of delivery of such Notice of Intent until 11:00 a.m., New York time (the "Cut-Off Time"), on the date of settlement for such vault receipt or WDR, unless the Exchange has received notice from OCC of a default by the relevant selling or purchasing Clearing Member, in which case the Exchange shall continue to maintain such vault receipt or WDR for the benefit of OCC until notified otherwise by OCC and, subject to applicable law, shall deliver such vault receipt or WDR to OCC or its agent upon the instructions of OCC (the "Exchange Services"). Each Clearing Member hereby agrees to the Exchange performing such Exchange Services. Each Clearing Member further understands that the security interest granted by the selling Clearing Member and the purchasing Clearing Member to OCC in any vault receipt or WDR remains in effect from the time OCC receives (or is deemed to have received by the Rules of OCC) notice that a selling Clearing Member has delivered to the Exchange a Notice of Intent until settlement of the relevant Contract, notwithstanding the electronic book entry in the NYSE Liffe US Trading Platform in favor of the selling Clearing Member.



Each Clearing Member also understands that the Exchange has waived its lien in respect of vault receipts or WDRs going to delivery from the date the Exchange provides OCC notice that a Notice of Intent has been delivered, until and including the Cut-Off Time on the date that settlement is supposed to occur (regardless of whether or not settlement does in fact occur) (such period, the "Waiver Period"). Each Clearing Member hereby agrees that the Exchange Lien shall be immediately reinstated without further action after the Waiver Period; provided that, in the event that the Exchange has received notice from OCC of a default as described above, OCC shall have no responsibility for, and the Exchange's lien shall not be reinstated with respect to, any obligations of any person to the Exchange accruing prior to the Cut-Off Time, and OCC shall be responsible to the Exchange, and the Exchange's lien shall attach, only with respect to storage charges accruing after OCC takes possession of the vault receipt or WDR and only with respect to such particular vault receipt or WDR. By going to delivery, each Clearing Member further represents and warrants that there are no liens, encumbrances on or defense to the relevant vault receipts other than that of the Exchange and OCC specified in this Rule 1208.

**1209 – 1212.**

No Changes.

**1213. Payment**

(a) Payment shall be made on the basis of the number of fine troy ounces of Gold contained and delivered. The fine Gold content of a bar for good delivery is calculated to 0.001 of a troy ounce by multiplying the gross weight and fineness as listed on the electronic vault receipt. Fineness in no case will be more than 0.9999.

(b) Payment shall be made utilizing the electronic delivery system via the Clearing Service Provider's online system. Payment will be made at the Clearing Service Provider's settlement time as defined in its rules for exchange transactions. Thus the cost of the delivery will be debited or credited to a clearing firm's settlement account. Buyers obligated to accept delivery must take delivery and make payment and sellers obligated to make delivery must make delivery during the Clearing Service Provider's settlement process as defined in its rules for exchange transactions, on the day of delivery, except on banking holidays when delivery must be taken or made and payment made during the Clearing Service Provider's settlement process as defined in its rules for exchange transactions, or such other time designated by the Exchange, on the next banking business day.

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**1214.**

No Changes.

CHAPTER 13

No Changes.

CHAPTER 14  
MINI-SIZED GOLD FUTURES

1401 – 1407.

No Changes.

1408. Deliveries

(a) Deliveries by Vault Receipts

(i) Where Gold is sold for delivery in a specified month, delivery of such Gold may be made by the seller upon such day of the specified month as the seller may select. If not previously delivered, delivery must be made upon the last business day of the month.

(ii) In order to be valid for delivery against a futures contract, a vault receipt in electronic form must be entered on the NYSE Liffe Guardian Delivery System based on the deposit of a vault receipt in paper form issued in accordance with the requirements under Rule 1402. Such paper vault receipt must be issued and deposited with the Exchange's Central Depository before 12:00 p.m. New York time on seller's notice day, which is the second business day prior to the day of delivery; however, in the case of delivery on the last delivery day of the delivery month, such paper vault receipt must be issued before 11:00 a.m. New York time on seller's notice day. Deliveries on mini-sized Gold futures contracts shall be made by book entry in the NYSE Liffe Guardian Delivery System, reflecting the change in ownership interests in vault receipts in paper form issued by vaults which have been approved and designated as regular vaults by the Exchange for the storage of Gold, using the electronic fields which the Exchange and the Clearing Service Provider require to be completed. Gold in bars must come to the regular vault directly from an approved source or from another regular vault either on NYSE Liffe US or the COMEX Division of the New York Mercantile Exchange, Inc., by insured or bonded carrier.

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(iii) In order to effect a valid delivery, each vault receipt must be endorsed by the Clearing Member making the delivery; any transfer by electronic means of a vault receipt as set forth above in subsection (a) of this Rule 1408 constitutes an endorsement with respect to such vault receipt. In the event that a vault receipt is transferred outside of the NYSE Liffe Guardian Delivery System (an "Outside Transfer"), endorsement with respect to such

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Outside Transfer will be made physically on such vault receipt and, if such vault receipt is subsequently entered into the NYSE Liffe Guardian Delivery System, such endorsement will remain as a record with respect to such Outside Transfer. By any endorsement, the endorser shall be deemed to warrant, to his transferee and each subsequent transferee of the receipt for delivery on Exchange contracts, and their respective immediate principals, the genuineness, validity, and worth of such receipt, the rightfulness and effectiveness of his transfer thereof, and the quantity and quality of the Gold shown on the receipt. Such endorsement shall also constitute a representation that all storage charges have been paid up to and including the business day following the day of delivery. Prepaid storage charges shall be charged to the buyer by the seller for a period extending beyond the business day following the day of delivery (but not in excess of one year) pro rata for the unexpired term and adjustments shall be made upon the invoice thereof.

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(iv) In the event such Exchange Member or principal shall claim a breach of such warranty, and such claim relates to the quantity or quality of the Gold, the lot shall be immediately submitted for sampling and assaying to an assayer approved by the Exchange; the Gold must be shipped under bond, and at the owner's expense, to the assayer. The expense of sampling and assaying shall, in the first instance, be borne by the claimant. If a deficiency in quantity or quality shall be determined by the assayer, the claimant shall have the right to recover the difference in the market value and all expenses incurred in connection with the sampling and assaying and any cost of replacement of the Gold. The claimant may, at his option, proceed directly against the original endorser of the vault receipt upon Exchange delivery, or against any endorser prior to claimant without seeking recovery from his immediate deliverer on the Exchange contract, and if the claim is satisfied by the original endorser of the vault receipt, or any other endorser, all the endorsers will be thereby discharged from liability to the claimant. If the claimant seeks recovery from any endorser and his claim is satisfied by such endorser, the party thus satisfying the claim will have a similar option to claim recovery directly from any endorser prior to him. Such claims as are in dispute between Members of the Exchange may in each case be submitted to arbitration under the Rules of the Exchange.

(v) The liability of an endorser of a vault receipt as provided herein shall not be deemed to limit the rights of such endorser against any person or party for whose account the endorser acted in making delivery on an Exchange contract. If it shall be determined in such arbitration proceeding that any endorser of a vault receipt or the person or party for whom such endorser acted was aware of the breach of warranty or was involved in a plan or arrangement with the original endorser (or his principal) to place such inferior Gold in store in a regular vault for use in deliveries upon Exchange contracts, such endorsers shall not be entitled to recover from any prior endorser for the breach of warranty.

(b) Deliveries by Gold Warehouse Depository Receipts

(i) Deliveries of NYSE Liffe US mini-sized Gold may be made by delivery of WDRs. In order to effect a valid delivery, each WDR must be endorsed by the Clearing Member making the delivery; any transfer by electronic means of a WDR in the NYSE Liffe Guardian Delivery System constitutes an endorsement with respect to such WDR. Such endorsement shall constitute a warranty of the genuineness of the WDR and of good title thereto, but shall not constitute a guaranty, by an endorser, of performance by the vault. Such endorsement shall also constitute a representation that all storage charges have been paid on the Gold covered by the WDR, in accordance with Rule 1409.

(ii) WDRs may not be cancelled for load-out. Upon the return of three (3) WDRs to the Exchange, and payment of all storage charges pertaining to the Gold represented, for which the Exchange claims a lien, a registered vault receipt in electronic form will be delivered by the Exchange to the holder of the three (3) WDRs, utilizing the electronic delivery system via the Clearing Service Provider's on-line system. Delivery of a vault receipt to the holder of the WDRs shall not constitute a guaranty by the Exchange of performance by the vault.

(c) Security Interest in Vault Receipts and WDRs

(iii) Each Clearing Member that has an interest in a vault receipt or a WDR hereby grants a valid and enforceable security interest (the "Exchange Lien") to the Exchange in all of such Clearing Member's vault receipts or WDRs to secure all charges or fees associated with the custody of such vault receipts or WDRs and the Gold underlying such vault receipts or WDRs.

(iv) Each Clearing Member, by entering into the delivery process, understands that, pursuant to an Agreement for Clearing and Settlement Services, dated as of March 9, 2009, between OCC and the Exchange, the Exchange has agreed to maintain as agent on behalf of OCC as Clearing Service Provider any vault receipt or WDR with respect to which a selling Clearing Member has delivered to the Exchange a notice of intent to deliver such vault receipt or WDR in settlement of a Contract (a "Notice of Intent"), from the time of delivery of such Notice of Intent until 11:00 a.m., New York time (the "Cut-Off Time"), on the date of settlement for such vault receipt or WDR, unless the Exchange has received notice from OCC of a default by the relevant selling or purchasing Clearing Member, in which case the Exchange shall continue to maintain such vault receipt or WDR for the benefit of OCC until notified otherwise by OCC and, subject to applicable law, shall deliver such vault receipt or WDR to OCC or its agent upon the instructions of OCC (the "Exchange Services"). Each Clearing Member hereby agrees to the Exchange performing such Exchange Services. Each Clearing Member further understands that the security interest granted by the selling Clearing Member

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and the purchasing Clearing Member to OCC in any vault receipt or WDR remains in effect from the time OCC receives (or is deemed to have received by the Rules of OCC) notice that a selling Clearing Member has delivered to the Exchange a Notice of Intent until settlement of the relevant Contract, notwithstanding the electronic book entry in the NYSE Liffe US Trading Platform in favor of the selling Clearing Member. Each Clearing Member also understands that the Exchange has waived its lien in respect of vault receipts or WDRs going to delivery from the date the Exchange provides OCC notice that a Notice of Intent has been delivered, until and including the Cut-Off Time on the date on which settlement is supposed to occur (regardless of whether or not such settlement does in fact occur) (such period, the "Waiver Period"). Each Clearing Member hereby agrees that the Exchange Lien shall be immediately reinstated without further action after the Waiver Period; provided that, in the event that the Exchange has received notice from OCC of a default as described above, OCC shall have no responsibility for, and the Exchange's lien shall not be reinstated with respect to, any obligations of any person to the Exchange accruing prior to the Cut-Off Time, and OCC shall be responsible to the Exchange, and the Exchange's lien shall attach, only with respect to storage charges accruing after OCC takes possession of the vault receipt or WDR and only with respect to such particular vault receipt or WDR. By going to delivery, each Clearing Member further represents and warrants that there are no liens, encumbrances on or defense to the relevant vault receipts or WDRs other than that of the Exchange and OCC specified in this Rule 1408.

1409 – 1412.

No Changes.

**1413. Payment**

(a) Payment shall be made on the basis of the number of fine troy ounces of Gold contained and delivered. The fine Gold content of a bar for good delivery is calculated to 0.001 of a troy ounce by multiplying the gross weight and fineness as listed on the electronic vault receipt. Fineness in no case will be more than 0.9999.

(b) Payment shall be made utilizing the electronic delivery system via the Clearing Service Provider's online system. Payment will be made at the Clearing Service Provider's settlement time as defined in its rules for exchange transactions. Thus the cost of the delivery will be debited or credited to a clearing firm's settlement account. Buyers obligated to accept delivery must take delivery and make payment and sellers obligated to make delivery must make delivery during the Clearing Service Provider's settlement process as defined in its rules for exchange transactions, on the day of delivery, except on banking holidays when delivery must be taken or made and payment made during the Clearing Service Provider's settlement process as defined in its rules for exchange transactions, or such other time designated by the Exchange, on the next banking business day.

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1414.

No changes.

**CHAPTER 15  
5,000 OZ. SILVER FUTURES**

1501 – 1507.

No changes.

**1508. Deliveries by Vault Receipts**

**(a) Timing and Issuance of Vault Receipts**

(i) Where Silver is sold for delivery in a specified month, delivery of such Silver may be made by the seller upon such day of the specified month as the seller may select. If not previously delivered, delivery must be made upon the last business day of the month.

(ii) In order to be valid for delivery against a futures contract, a vault receipt in electronic form must be entered on the NYSE Liffe Guardian Delivery System based on the deposit of a vault receipt in paper form issued in accordance with the requirements under Rule 1502. Such paper vault receipt must be issued and deposited with the Exchange's Central Depository before 12:00 p.m. New York time on seller's notice day, which is the second business day prior to the day of delivery; however, in the case of delivery on the last delivery day of the delivery month, such paper vault receipt must be issued before 11:00 a.m. New York time on seller's notice day. Deliveries on Silver futures contracts shall be made by book entry in the NYSE Liffe Guardian Delivery System, reflecting the change in ownership interests in vault receipts in paper form issued by vaults which have been approved and designated as regular vaults by the Exchange for the storage of Silver, using the electronic fields which the Exchange and the Clearing Service Provider require to be completed. Silver in bars must come to the regular vault directly from an approved source or from another regular vault either on NYSE Liffe US or the COMEX Division of the New York Mercantile Exchange, Inc., by insured or bonded carrier.

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(b) Endorsement of Vault Receipts

(i) In order to effect a valid delivery, each vault receipt must be endorsed by the Clearing Member making the delivery; any transfer by electronic means of a vault receipt as set forth above in subsection (a) of this Rule 1508 constitutes an endorsement with respect to such vault receipt. In the event that a vault receipt is transferred outside of the NYSE Liffe Guardian Delivery System (an "Outside Transfer"), endorsement with respect to such Outside Transfer will be made physically on such vault receipt and, if such vault receipt is subsequently entered into the NYSE Liffe Guardian Delivery System, such endorsement will remain as a record with respect to such Outside Transfer. By any endorsement, the endorser shall be deemed to warrant, to his transferee and each subsequent transferee of the receipt for delivery on Exchange contracts, and their respective immediate principals, the genuineness, validity, and worth of such receipt, the rightfulness and effectiveness of his transfer thereof, and the quantity and quality of the Silver shown on the receipt. Such endorsement shall also constitute a representation that all storage charges have been paid up to and including the business day following the day of delivery. Prepaid storage charges shall be charged to the buyer by the seller for a period extending beyond the business day following the day of delivery (but not in excess of one year) pro rata for the unexpired term and adjustments shall be made upon the invoice thereof.

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(ii) In the event such Exchange Member or principal shall claim a breach of such warranty, and such claim relates to the quantity or quality of the Silver, the lot shall be immediately submitted for sampling and assaying to an assayer approved by the Exchange; the Silver must be shipped under bond, and at the owner's expense, to the assayer. The expense of sampling and assaying shall, in the first instance, be borne by the claimant. If a deficiency in quantity or quality shall be determined by the assayer, the claimant shall have the right to recover the difference in the market value and all expenses incurred in connection with the sampling and assaying and any cost of replacement of the Silver. The claimant may, at his option, proceed directly against the original endorser of the vault receipt upon Exchange delivery, or against any endorser prior to claimant without seeking recovery from his immediate deliverer on the Exchange contract, and if the claim is satisfied by the original endorser of the vault receipt, or any other endorser, all the endorsers will be thereby discharged from liability to the claimant. If the claimant seeks recovery from any endorser and his claim is satisfied by such endorser, the party thus satisfying the claim will have a similar option to claim recovery directly from any endorser prior to him. Such claims as are in dispute between Members of the Exchange may in each case be submitted to arbitration under the Rules of the Exchange.

(iii) The liability of an endorser of a vault receipt as provided herein shall not be deemed to limit the rights of such endorser against any person or party for whose account the endorser acted in making delivery on an Exchange contract. If it shall be determined in such arbitration proceeding that any endorser of a vault

receipt or the person or party for whom such endorser acted was aware of the breach of warranty or was involved in a plan or arrangement with the original endorser (or his principal) to place such inferior Silver in store in a regular vault for use in deliveries upon Exchange contracts, such endorsers shall not be entitled to recover from any prior endorser for the breach of warranty.

(c) Security Interest in Vault Receipts

(i) Each Clearing Member that has an interest in a vault receipt or a WDR hereby grants a valid and enforceable security interest (the "Exchange Lien") to the Exchange in all of such Clearing Member's vault receipts or WDRs to secure all charges or fees associated with the custody of such vault receipts or WDRs and the Silver underlying such vault receipts or WDRs.

(ii) Each Clearing Member, by entering into the delivery process, understands that, pursuant to an Agreement for Clearing and Settlement Services, dated as of March 9, 2009, between OCC and the Exchange, the Exchange has agreed to maintain as agent on behalf of OCC as Clearing Service Provider any vault receipt or WDR with respect to which a selling Clearing Member has delivered to the Exchange a notice of intent to deliver such vault receipt or WDR in settlement of a Contract (a "Notice of Intent"), from the time of delivery of such Notice of Intent until 11:00 a.m., New York time (the "Cut-Off Time"), on the date of settlement for such vault receipt or WDR, unless the Exchange has received notice from OCC of a default by the relevant selling or purchasing Clearing Member, in which case the Exchange shall continue to maintain such vault receipt or WDR for the benefit of OCC until notified otherwise by OCC and, subject to applicable law, shall deliver such vault receipt or WDR to OCC or its agent upon the instructions of OCC (the "Exchange Services"). Each Clearing Member hereby agrees to the Exchange performing such Exchange Services. Each Clearing Member further understands that the security interest granted by the selling Clearing Member and the purchasing Clearing Member to OCC in any vault receipt or WDR remains in effect from the time OCC receives (or is deemed to have received by the Rules of OCC) notice that a selling Clearing Member has delivered to the Exchange a Notice of Intent until settlement of the relevant Contract, notwithstanding the electronic book entry in the NYSE Liffe US Trading Platform in favor of the selling Clearing Member. Each Clearing Member also understands that the Exchange has waived its lien in respect of vault receipts or WDRs going to delivery from the date the Exchange provides OCC notice that a Notice of Intent has been delivered, until and including the Cut-Off Time on the date that settlement is supposed to occur (regardless of whether or not settlement does in fact occur) (such period, the "Waiver Period"). Each Clearing Member hereby agrees that the Exchange Lien shall be immediately reinstated without further action after the Waiver Period; provided that, in the event that the Exchange has received notice from OCC of a default as described above, OCC shall have no responsibility for, and the Exchange's lien shall not be reinstated with respect to, any obligations of any person to the Exchange accruing prior to the Cut-Off Time, and OCC shall be



responsible to the Exchange, and the Exchange's lien shall attach, only with respect to storage charges accruing after OCC takes possession of the vault receipt or WDR and only with respect to such particular vault receipt or WDR. By going to delivery, each Clearing Member further represents and warrants that there are no liens, encumbrances on or defense to the relevant vault receipts other than that of the Exchange and OCC specified in this Rule 1508.

**1509 – 1512.**

No changes.

**1513. Payment**

Payment shall be made utilizing the electronic delivery system via the Clearing Service Provider's online system. Payment will be made at the Clearing Service Provider's settlement time as defined in its rules for exchange transactions. Thus the cost of the delivery will be debited or credited to a clearing firm's settlement account. Buyers obligated to accept delivery must take delivery and make payment and sellers obligated to make delivery must make delivery during the Clearing Service Provider's settlement process as defined in its rules for exchange transactions, on the day of delivery, except on banking holidays when delivery must be taken or made and payment made during the Clearing Service Provider's settlement process as defined in its rules for exchange transactions, or such other time designated by the Exchange, on the next banking business day.

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**1514.**

No changes.

**CHAPTER 16**

No changes.

**CHAPTER 17**  
**MINI-SIZED SILVER FUTURES**

1701 – 1707.

No Changes.

**1708. Deliveries**

**(a) Deliveries by Vault Receipts**

(i) Where Silver is sold for delivery in a specified month, delivery of such Silver may be made by the seller upon such day of the specified month as the seller may select. If not previously delivered, delivery must be made upon the last business day of the month.

(ii) In order to be valid for delivery against a futures contract, a vault receipt in electronic form must be entered on the NYSE Liffe Guardian Delivery System based on the deposit of a vault receipt in paper form issued in accordance with the requirements under Rule 1702. Such paper vault receipt must be issued before 12:00 p.m. New York time on seller's notice day, which is the second business day prior to the day of delivery; however, in the case of delivery on the last delivery day of the delivery month, such paper vault receipt must be issued before 11:00 a.m. New York time on seller's notice day. Deliveries on mini-sized Silver futures contracts shall be made by book entry in the NYSE Liffe Guardian Delivery System, reflecting the change in ownership interests in vault receipts in paper form issued by vaults which have been approved and designated as regular vaults by the Exchange for the storage of Silver, using the electronic fields which the Exchange and the Clearing Service Provider require to be completed. Silver in bars must come to the regular vault directly from an approved source or from another regular vault either on NYSE Liffe US or the COMEX Division of the New York Mercantile Exchange, Inc., by insured or bonded carrier.

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(iii) In order to effect a valid delivery, each vault receipt must be endorsed by the Clearing Member making the delivery; any transfer by electronic means of a vault receipt as set forth above in sub-section (a) of this Rule 1708 constitutes an endorsement with respect to such vault receipt. In the event that a vault receipt is delivered and a transfer of such vault receipt subsequently occurs off of the NYSE Liffe Trading Platform (an "Outside Transfer"), endorsement with respect to such Outside Transfer will be made on the face of the vault receipt and, if such vault receipt is subsequently entered into the NYSE Liffe Trading Platform, such endorsement will remain as a record with respect to such Outside Transfer. By any endorsement, the endorser shall be deemed to warrant,

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to his transferee and each subsequent transferee of the receipt for delivery on Exchange contracts, and their respective immediate principals, the genuineness, validity, and worth of such receipt, the rightfulness and effectiveness of his transfer thereof, and the quantity and quality of the Silver shown on the receipt. Such endorsement shall also constitute a representation that all storage charges have been paid up to and including the business day following the day of delivery. Prepaid storage charges shall be charged to the buyer by the seller for a period extending beyond the business day following the day of delivery (but not in excess of one year) pro rata for the unexpired term and adjustments shall be made upon the invoice thereof.

(iv) In the event such Exchange Member or principal shall claim a breach of such warranty, and such claim relates to the quantity or quality of the Silver, the lot shall be immediately submitted for sampling and assaying to an assayer approved by the Exchange; the Silver must be shipped under bond, and at the owner's expense, to the assayer. The expense of sampling and assaying shall, in the first instance, be borne by the claimant. If a deficiency in quantity or quality shall be determined by the assayer, the claimant shall have the right to recover the difference in the market value and all expenses incurred in connection with the sampling and assaying and any cost of replacement of the Silver. The claimant may, at his option, proceed directly against the original endorser of the vault receipt upon Exchange delivery, or against any endorser prior to claimant without seeking recovery from his immediate deliverer on the Exchange contract, and if the claim is satisfied by the original endorser of the vault receipt, or any other endorser, all the endorsers will be thereby discharged from liability to the claimant. If the claimant seeks recovery from any endorser and his claim is satisfied by such endorser, the party thus satisfying the claim will have a similar option to claim recovery directly from any endorser prior to him. Such claims as are in dispute between Members of the Exchange may in each case be submitted to arbitration under the Rules of the Exchange.

(v) The liability of an endorser of a vault receipt as provided herein shall not be deemed to limit the rights of such endorser against any person or party for whose account the endorser acted in making delivery on an Exchange contract. If it shall be determined in such arbitration proceeding that any endorser of a vault receipt or the person or party for whom such endorser acted was aware of the breach of warranty or was involved in a plan or arrangement with the original endorser (or his principal) to place such inferior Silver in store in a regular vault for use in deliveries upon Exchange contracts, such endorsers shall not be entitled to recover from any prior endorser for the breach of warranty.

(b) Deliveries by Silver Warehouse Depository Receipts

(i) Deliveries of NYSE Liffe US mini-sized Silver may be made by delivery of WDRs. In order to effect a valid delivery, each WDR must be

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endorsed by the Clearing Member making the delivery, any transfer by electronic means of a WDR in the NYSE Liffe Guardian Delivery System constitutes an endorsement with respect to such WDR. Such endorsement shall constitute a warranty of the genuineness of the WDR and of good title thereto, but shall not constitute a guaranty, by an endorser, of performance by the vault. Such endorsement shall also constitute a representation that all storage charges have been paid on the Silver covered by the WDR, in accordance with Rule 1709.

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(ii) WDRs may not be cancelled for load-out. Upon return of a WDR to the Exchange, and payment of all storage charges pertaining to the silver represented, for which the Exchange claims a lien, a registered vault receipt in electronic form will be delivered by the Exchange to the holder of the WDR, utilizing the electronic delivery system via the Clearing Service Provider's on-line system. Delivery of a vault receipt to the holder of the WDR shall not constitute a guaranty by the Exchange of performance by the vault.

(c) Security Interest in Vault Receipts and WDRs

(i) Each Clearing Member that has an interest in a vault receipt or a WDR hereby grants a valid and enforceable security interest (the "Exchange Lien") to the Exchange in all of such Clearing Member's vault receipts or WDRs to secure all charges or fees associated with the custody of such vault receipts or WDRs and the Silver underlying such vault receipts or WDRs.

(ii) Each Clearing Member, by entering into the delivery process, understands that, pursuant to an Agreement for Clearing and Settlement Services, dated as of March 9, 2009, between OCC and the Exchange, the Exchange has agreed to maintain as agent on behalf of OCC as Clearing Service Provider any vault receipt or WDR with respect to which a selling Clearing Member has delivered to the Exchange a notice of intent to deliver such vault receipt or WDR in settlement of a Contract (a "Notice of Intent"), from the time of delivery of such Notice of Intent until 11:00 a.m., New York time (the "Cut-Off Time"), on the date of settlement for such vault receipt or WDR, unless the Exchange has received notice from OCC of a default by the relevant selling or purchasing Clearing Member, in which case the Exchange shall continue to maintain such vault receipt or WDR for the benefit of OCC until notified otherwise by OCC and, subject to applicable law, shall deliver such vault receipt or WDR to OCC or its agent upon the instructions of OCC (the "Exchange Services"). Each Clearing Member hereby agrees to the Exchange performing such Exchange Services. Each Clearing Member further understands that the security interest granted by the selling Clearing Member and the purchasing Clearing Member to OCC in any vault receipt or WDR remains in effect from the time OCC receives (or is deemed to have received by the Rules of OCC) notice that a selling Clearing Member has delivered to the Exchange a Notice of Intent until settlement of the relevant Contract, notwithstanding the electronic book entry in the NYSE Liffe US Trading Platform in favor of the selling Clearing Member. Each Clearing

Member also understands that the Exchange has waived its lien in respect of vault receipts or WDRs going to delivery from the date the Exchange provides OCC notice that a Notice of Intent has been delivered, until and including the Cut-Off Time on the date on which settlement is supposed to occur (regardless of whether or not such settlement does in fact occur) (such period, the “Waiver Period”). Each Clearing Member hereby agrees that the Exchange Lien shall be immediately reinstated without further action after the Waiver Period; provided that, in the event that the Exchange has received notice from OCC of a default as described above, OCC shall have no responsibility for, and the Exchange’s lien shall not be reinstated with respect to, any obligations of any person to the Exchange accruing prior to the Cut-Off Time, and OCC shall be responsible to the Exchange, and the Exchange’s lien shall attach, only with respect to storage charges accruing after OCC takes possession of the vault receipt or WDR and only with respect to such particular vault receipt or WDR. By going to delivery, each Clearing Member further represents and warrants that there are no liens, encumbrances on or defense to the relevant vault receipts or WDRs other than that of the Exchange and OCC specified in this Rule 1708.

**1709 – 1712.**

No changes.

**1713. Payment**

Payment shall be made utilizing the electronic delivery system via the Clearing Service Provider’s online system. Payment will be made at the Clearing Service Provider’s settlement time as defined in its rules for exchange transactions. Thus the cost of the delivery will be debited or credited to a clearing firm’s settlement account. Buyers obligated to accept delivery must take delivery and make payment and sellers obligated to make delivery must make delivery during the Clearing Service Provider’s settlement process as defined in its rules for exchange transactions, on the day of delivery, except on banking holidays when delivery must be taken or made and payment made during the Clearing Service Provider’s settlement process as defined in its rules for exchange transactions, or such other time designated by the Exchange, on the next banking business day.

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**1714.**

No changes.