



Lynn Martin  
Chief Operating Officer  
NYSE Liffe US  
20 Broad Street, 10<sup>th</sup> Floor  
New York, NY 10005  
T +1 212 656 4307

**By Electronic Mail**  
September 25, 2012

Mr. David A. Stawick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

**Re: NYSE Liffe US Submission 2012-129 – Notice Announcing the  
Modification of the Minimum Block Trade Size for Ultra Long U.S.  
Treasury Bond Futures.**

Dear Mr. Stawick:

I am the Chief Operating Officer of NYSE Liffe US LLC ("NYSE Liffe US" or the "Exchange"). Pursuant to Section 5c(c) of the Commodity Exchange Act, as amended (the "Act"), and U.S. Commodity Futures Trading Commission (the "Commission") Regulations (the "Regulations") Section 40.6(a), I enclose a Cover Sheet for NYSE Liffe US Submission 2012-129 and NYSE Liffe US Notice 33/2012 which announces that the Exchange is modifying the minimum size for block trades in the Ultra Long U.S. Treasury Bond Futures ("Ultra Bond Futures") from 1,500 contracts to 1,000 contracts effective with the October 9, 2012 trading session.

NYSE Liffe US hereby certifies that: (i) Notice 33/2012 and the modification described therein comply with the Act and the regulations thereunder and (ii) a notice and copy of this submission has been concurrently posted on the Exchange's web site. Additionally, a concise explanation and analysis of Notice 33/2012 and its compliance with applicable provisions of the Act, including core principles and the Commission's regulations thereunder, is attached. No substantive opposing views were expressed by members or others with respect to the modification of the minimum size for block trades in the Ultra Bond Futures.

If you have any questions, please call me at (212) 656-4307.

Yours Truly,

Lynn Martin  
Enclosures

**Designated Contract Market Core Principles Implicated by  
NYSE Liffe US Submission 2012-129**

<b>CORE PRINCIPLE</b>	<b>ANALYSIS</b>
<i>Core Principle 2: Compliance with Rules</i>	All block trades may be executed on the Exchange only in compliance with Exchange Rule 423, which prescribes, among other things, those parties that are eligible to enter into block trades, the pricing for such trades and the reporting of block trades to the Exchange. The Exchange will review block trade reports submitted by Members in Ultra Bond Futures, as it does all block trade reports, and only post the trade to the Trading Platform if the details appear to comply with the requirements of Rule 423. Additionally, pursuant to Chapter 7 of the Exchange's rulebook, the Exchange shall investigate any possible rule violations and where appropriate bring disciplinary actions and impose sanctions for any violations.
<i>Core Principle 5: Position Limits or Accountability</i>	Participants in the programs will continue to be subject to all applicable position limits and accountability levels. Further, the Exchange will make all amendments necessary to its existing position limits to be in compliance with the CFTC new Part 151 regulations, when such regulations and the relevant compliance dates become effective.
<i>Core Principle 7: Availability of General Information</i>	The Exchange will publish on its web site the relevant terms and conditions for executing block trades including the relevant forms.
<i>Core Principle 8: Daily Publication of Trading Information</i>	The Exchange will publish on its web site information regarding block trades including the relevant contract, quantity, price and time of the block trade.

CORE PRINCIPLE	ANALYSIS
<i>Core Principle 9: Execution of Transactions</i>	The Exchange currently sets the block trade threshold for trades in the Ultra Bond Futures at 1,500 contracts and has done so since trading in the Ultra Bond Futures began in March 2011. Based upon the Exchange's experience and review of the actual trading in the Ultra Bond Futures, the Exchange believes that a trade size of 1,000 contracts would be a large order that is unlikely to ever be filled in its entirety at a single price and would likely move the market. Since the launch of the Ultra Bond Futures in March 2011, the average daily volume, through July 31, 2012, is 111 contracts. During this same time period, the average order size has been 1.8 contracts and the average trade size has been 1.6 contracts. Further, a recent review of the quantity available on the Trading Platform at a single price measured at four points throughout a day that economic data was released, a day when trading activity would tend to be most active, revealed that the highest quantity available at any single price level was 24 contracts. The Exchange believes that 1,000 contracts is an appropriate level to ensure that block trades in the Ultra Bond Futures contracts will not harm the price discovery process of trading in the centralized market. The Exchange will continue to monitor the impact, if any, that block trading in the Ultra Bond Futures has on trading on the centralized market and, in the event the Exchange identifies any deleterious effect to the centralized market, will take appropriate action.
<i>Core Principle 10: Trade Information</i>	The Exchange records and maintains an audit trail with all trade information regarding trading by all market participants, necessary to monitor for customer and market abuse, including any abuses involving block trades.
<i>Core Principle 12: Protection of Markets and Market Participants</i>	Chapter 6 of the Exchange's rulebook governs the business conduct of Exchange members and prohibits, among other things, fraudulent acts and fictitious trades and other activities that could disadvantage their customers, as well as acts detrimental to the Exchange and inconsistent with just and equitable principles of trade. The Exchange shall monitor for and investigate any possible rule violations and where appropriate bring disciplinary actions and impose sanctions for any violations in respect to block trades.
<i>Core Principle 13: Disciplinary Procedures</i>	Chapter 7 of the Exchange's rulebook provides for disciplinary procedures by which the Exchange may impose sanctions for any violations of the Exchange's rules, including any violations related to block trades.
<i>Core Principle 18: Recordkeeping</i>	Data with regard to block trades shall be retained by the Exchange in secured storage for a period of at least five years and be readily accessible and open to review by the CFTC. Additionally, the Exchange has in place business continuity and disaster recovery policies and procedures that provide for back-up and off-site storage of Exchange records.



## NYSE LIFFE US NOTICE No. 33/2012

ISSUE DATE: September 25, 2012  
EFFECTIVE DATE: October 9, 2012

### Modification of the Block Trade Threshold for Ultra Long U.S. Treasury Bond Futures

#### Summary

This Notice informs Members and market participants that NYSE Life US is modifying the minimum block trade threshold in its Ultra Long U.S. Treasury Bond Futures ("Ultra Bond Futures") from 1,500 contracts to 1,000 contracts, effective with the October 9, 2012, trading session.

#### 1. Introduction and Background

- 1.1 NYSE Liffe US Rule 423 permits Block Trades to be transacted for at least such minimum number of Contracts as will from time to time be specified by the Exchange.
- 1.2 [NYSE Liffe US Notice No. 05/2011](#), in connection with announcing the listing of the Ultra Bond Futures, among other things, set forth 1,500 contracts as the minimum block trade size for Ultra Bond Futures.

#### 2. Change to minimum block trade threshold in Ultra Bond Futures

- 2.1 After the benefit of over a year of actual trading in the Ultra Bond Futures the Exchange has determined to lower the minimum block trade threshold to 1,000 contracts, effective with the October 9, 2012 trading session. All other requirements as to block trades in Ultra Bond Futures remain unchanged.
- 2.2 Members and market participants are encouraged to review the relevant Exchange procedures and guidance regarding block trades. An overview of Block Trading execution procedures can be found at: <http://www.nyseliffeus.com/block-trading-execution>. The Exchange has also issued notices pertaining to block trades. [NYSE Liffe US Notice 6/2009](#) implemented the Exchange's Block Trading Facility and required the entry of block trades into the Exchange's Block Trading function on the NYSE Liffe U.S. Trading Platform. [NYSE Liffe US Notice 15/2010](#) announced the availability of an alternative method of reporting block trades that involved the

completion and emailing of a Block Trade report form. [NYSE Liffe US Notice 28/2011](#) provides additional guidance on the pricing and reporting of block trades.

Members who have questions or seek additional information in respect of this Notice should contact:

New York Office

+1 212 656 4300

Chicago Office

+1 312 442 7730

[nyseliffeus@nyx.com](mailto:nyseliffeus@nyx.com)