

# London Stock Exchange Derivatives

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## MARKET NOTICE 2014/056

### T+2 Settlement Member Testing

From 6 October 2014, all underlying securities of physically settled derivatives traded on London Stock Exchange Derivatives Market will move to a T+2 settlement cycle. All participants of London Stock Exchange Derivatives Market will have to be prepared and make the necessary adjustment to their systems. To facilitate the upcoming cycle change, the London Stock Exchange Derivatives Market will operate a market test in the CDS (Customer Test Environment).

The European Central Bank has established a T2S Task Force on T+2 settlements and a best practice paper published by the Task Force can be found [here](#).

#### T+2 Testing Schedule

The objective of the test is to ensure an efficient transition from the T+3 to T+2 settlement cycle. Furthermore, participants will be able to test how BCS reports are affected along with impacts of any potential corporate actions.

The market test will occur over consecutive weeks. Test cycle one from **1 September 2014 till 5 September 2014** and test cycle two from **8 September 2014 till 12 September 2014**. During test cycle one, physical settlement will transition from T+3 to T+2 on **2 September 2014**. For test cycle two, the transition date will be **9 September 2014**. The T+3 settlement cycle will resume after the end of each testing period. Should another testing period be required at a later date, a separate notice will be distributed with the test details.

#### Participation

London Stock Exchange Derivatives Market will facilitate the market test within the CDS environment. The participation list is as follows:

- London Stock Exchange Derivatives Market Members connected to the CDS environment
- LCH.Clearnet Limited
- Oslo Clearing

Member participation for the T+2 test is voluntary, although we encourage all members to perform testing to ensure their own systems can support the settlement date changes. To ensure sufficient support is available for testing, please confirm participation via an email to ETD Operations by **29 August 2014**.

Members are asked to check connectivity to the test environment prior to the official test period. Should members require assistance, contact the Client Support Team

Contact	Email	Phone
ETD Operations	Etd.operations@lseg.com	0207 797 3617
Client Support Team	Support@lseg.com	0207 797 1500

During the testing period, members are asked to be aware of the following information in order to perform an adequate test.

### **Underlying ISINs**

For testing purposes, the below underlyings will be changed from a T+3 to a T+2 settlement cycle on 2 September 2014. This change will be reversed on 4 September 2014 after market close. The second cycle change is to be implemented on 9 September 2014 and will be reversed on 11 September 2014.

Underlying	Symbol	ISIN	Currency
Lukoil OAO	LKOD	US6778621044	USD
Gazprom OAO	OGZD	US3682872078	USD
Antofagasta PLC	ANTO	GB0000456144	GBP
Statoil ASA (Oslo)	STL	NO0010096985	NOK
Telenor ASA (Oslo)	TEL	NO0010063308	NOK

### **Corporate Actions**

Corporate Actions will be held on the below dates, allowing members to test the creation of new instruments with the T+2 settlement cycle.

Underlying	Symbol	Corporate Action	Adjustment Factor	New Contract Size	Effective Date
Lukoil OAO	LKOD	Extraordinary dividend	0.98	102	02/09/2014
Telenor ASA	TEL	Reverse Split	1.02	98	09/09/2014

Additional corporate actions can be requested by the member if required.

### **Expiry dates**

Expiries are to be held on the following dates. The settlement cycle will commence from the day of expiry. Positions with distinct expiries, settling on the same date will settle gross with LCH following the T+2 settlement change. The member will therefore be required to match and settle with LCH on two separate delivery instructions.

<b>Expiry Date</b>	<b>Settlement Date</b>	<b>Underlying Expiring</b>	<b>Fixing Price</b>
1 September 2014	4 September 2014 (T+3)	Statoil ASA (STL)	19.95
		Telenor ASA (TEL)	18.25
		Lukoil OAO (LKOD)	82.50
		Gazprom OAO (OGZD)	4.65
		Antofagasta PLC (ANTO)	19.95
2 September 2014	4 September 2014 (T+2)	Statoil ASA (STL)	20.50
		Telenor ASA (TEL)	22.50
3 September 2014	5 September 2014 (T+2)	Lukoil OAO (LKOD)	35.00
		Gazprom OAO (OGZD)	35.00
		Antofagasta PLC (ANTO)	900.00
8 September 2014	11 September 2014 (T+3)	Statoil ASA (STL)	25.35
		Telenor ASA (TEL)	22.15
		Lukoil OAO (LKOD)	85.25
		Gazprom OAO (OGZD)	4.15
		Antofagasta PLC (ANTO)	920.5
9 September 2014	11 September 2014 (T+2)	Lukoil OAO (LKOD)	93.5
		Gazprom OAO (OGZD)	4.00
		Antofagasta PLC (ANTO)	955
10 September 2014	12 September 2014 (T+2)	Statoil ASA (STL)	41.00
		Telenor ASA (TEL)	38.25

Norwegian and UK Options are American Style. Therefore, an early exercise can be performed prior to these expiry dates.

### **Series to Expire**

With the exception of the official expiry dates as well as Norwegian and UK American style options, trades should be placed only on series stated in Appendix A. Trades to be booked on FLEX products should be reported to the Derivatives Market Operations Team.

### **CDS environment**

Trading and clearing periods are different in the CDS environment compared to production. The below table displays the time each action can be carried out.

<b>Operation</b>	<b>Open time (London Time)</b>	<b>Close time (London Time)</b>
Norwegian Markets available for trading	08:00	13:30
UK Market available for trading	09:00	13:30
Russia/IOB market trading	08.00	13:30
Clearing actions in BCS	08:00	13:30
Exercise Window in BCS	13:30	14:00
BCS Reports Availability	17:30	

If you have any questions please call Derivative Operations on +44 (0) 207 797 3617.

Derivatives Operations  
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Appendix A

Expiration Date	Settlement Date	Underlying	Instrument Type	Strike	Contract Size	Put/ Call/ Future	ISIN	Currency
1/09/2014	4/09/2014	ANTO	EquityOption	900	1000	Put	GB00Y83D4S47	GBX
1/09/2014	4/09/2014	ANTO	EquityOption	900	1000	Put	GB00Y83D4T53	GBX
1/09/2014	4/09/2014	LKOD	EquityOption	85	100	Call	GB00Y83D4H32	USD
1/09/2014	4/09/2014	LKOD	EquityOption	85	100	Put	GB00Y83D4J55	USD
1/09/2014	4/09/2014	LKOD	EquityOption	85.5	100	Call	GB00Y83D4K60	USD
1/09/2014	4/09/2014	LKOD	EquityOption	85.5	100	Put	GB00Y83D4L77	USD
1/09/2014	4/09/2014	LKOD	EquityOption	85.5	100	Call	GB00Y83D4M84	USD
1/09/2014	4/09/2014	LKOD	Future		100	Future	GB00Y83D4W82	USD
1/09/2014	4/09/2014	OGZD	EquityOption	4.5	100	Call	GB00Y83D4N91	USD
1/09/2014	4/09/2014	OGZD	EquityOption	4.5	100	Put	GB00Y83D4P16	USD
1/09/2014	4/09/2014	OGZD	EquityOption	4.75	100	Call	GB00Y83D4Q23	USD
1/09/2014	4/09/2014	OGZD	EquityOption	4.75	100	Put	GB00Y83D4R30	USD
1/09/2014	4/09/2014	OGZD	Future		100	Future	GB00Y83D4V75	USD
1/09/2014	4/09/2014	STL	EquityOption	50	100	Call	NOOB00344931	NOK
1/09/2014	4/09/2014	TEL	EquityOption	50	100	Call	NOOB00344972	NOK

Expiration Date	Settlement Date	Underlying	Instrument Type	Strike	Contract Size	Put/ Call/ Future	ISIN	Currency
2/09/2014	4/09/2014	STL	EquityOption	60	100	Call	NOOB00344949	NOK
2/09/2014	4/09/2014	TEL	EquityOption	60	100	Call	NOOB00344980	NOK

Expiration Date	Settlement Date	Underlying	Instrument Type	Strike	Contract Size	Put/ Call/ Future	ISIN	Currency
3/09/2014	5/09/2014	ANTO	EquityOption	920	1000	Put	GB00Y83D5813	GBX
3/09/2014	5/09/2014	ANTO	EquityOption	920	1000	Put	GB00Y83D5920	GBX
3/09/2014	5/09/2014	LKOD	Future		100	Future	GB00Y83D5037	USD
3/09/2014	5/09/2014	LKOD	EquityOption	71	100	Call	GB00Y83D5144	USD



3/09/2014	5/09/2014	LKOD	EquityOption	71	100	Put	GB00Y83D5250	USD
3/09/2014	5/09/2014	LKOD	EquityOption	71.0001	100	Call	GB00Y83D5698	USD
3/09/2014	5/09/2014	LKOD	EquityOption	71.0001	100	Put	GB00Y83D5706	USD
3/09/2014	5/09/2014	OGZD	Future		100	Future	GB00Y83D4X99	USD
3/09/2014	5/09/2014	OGZD	EquityOption	11.5	100	Call	GB00Y83D4Y07	USD
3/09/2014	5/09/2014	OGZD	EquityOption	11.5	100	Put	GB00Y83D4Z14	USD
3/09/2014	5/09/2014	OGZD	EquityOption	12	100	Call	GB00Y83D5367	USD
3/09/2014	5/09/2014	OGZD	EquityOption	12.0001	100	Put	GB00Y83D5474	USD
3/09/2014	5/09/2014	OGZD	EquityOption	12.0001	100	Call	GB00Y83D5581	USD

Expiration Date	Settlement Date	Underlying	Instrument Type	Strike	Contract Size	Put/ Call/ Future	ISIN	Currency
8/09/2014	11/09/2014	ANTO	EquityOption	930	1000	Put	GB00Y83D5B45	GBX
8/09/2014	11/09/2014	ANTO	EquityOption	930	1000	Put	GB00Y83D5C51	GBX
8/09/2014	11/09/2014	LKOD	EquityOption	90	100	Call	GB00Y83D5J21	USD
8/09/2014	11/09/2014	LKOD	EquityOption	90	100	Put	GB00Y83D5K36	USD
8/09/2014	11/09/2014	LKOD	EquityOption	90.5	100	Call	GB00Y83D5L43	USD
8/09/2014	11/09/2014	LKOD	EquityOption	90.5	100	Put	GB00Y83D5M59	USD
8/09/2014	11/09/2014	LKOD	Future		100	Future	GB00Y83D5N66	USD
8/09/2014	11/09/2014	OGZD	EquityOption	4.25	100	Call	GB00Y83D5D68	USD
8/09/2014	11/09/2014	OGZD	EquityOption	4	100	Call	GB00Y83D5F82	USD
8/09/2014	11/09/2014	OGZD	EquityOption	4	100	Call	GB00Y83D5G99	USD
8/09/2014	11/09/2014	OGZD	EquityOption	4	100	Put	GB00Y83D5H07	USD
8/09/2014	11/09/2014	STL	EquityOption	70	100	Call	NOOB00344956	NOK
8/09/2014	11/09/2014	TEL	EquityOption	70	100	Call	NOOB00344998	NOK

Expiration Date	Settlement Date	Underlying	Instrument Type	Strike	Contract Size	Put/ Call/ Future	ISIN	Currency
9/09/2014	11/09/2014	ANTO	EquityOption	950	1000	Put	GB00Y83D5P80	GBX
9/09/2014	11/09/2014	ANTO	EquityOption	950	1000	Put	GB00Y83D5Q97	GBX



9/09/2014	11/09/2014	LKOD	EquityOption	95	100	Call	GB00Y83D5S12	USD
9/09/2014	11/09/2014	LKOD	EquityOption	95	100	Put	GB00Y83D5T29	USD
9/09/2014	11/09/2014	LKOD	EquityOption	92	100	Call	GB00Y83D5V41	USD
9/09/2014	11/09/2014	LKOD	EquityOption	92	100	Put	GB00Y83D5W57	USD
9/09/2014	11/09/2014	LKOD	Future		100	Future	GB00Y83D5X64	USD
9/09/2014	11/09/2014	OGZD	Future		100	Future	GB00Y83D5R05	USD
9/09/2014	11/09/2014	OGZD	EquityOption	4.05	100	Call	GB00Y83D5Y71	USD
9/09/2014	11/09/2014	OGZD	EquityOption	4.05	100	Put	GB00Y83D5Z88	USD
9/09/2014	11/09/2014	OGZD	EquityOption	4	100	Call	GB00Y83D6001	USD
9/09/2014	11/09/2014	OGZD	EquityOption	4	100	Put	GB00Y83D6118	USD

Expiration Date	Settlement Date	Underlying	Instrument Type	Strike	Contract Size	Put/ Call/ Future	ISIN	Currency
10/09/2014	12/09/2014	STL	EquityOption	80	100	Call	NOOB00344964	NOK
10/09/2014	12/09/2014	TEL	EquityOption	80	100	Call	NOOB00345003	NOK

