

London Stock Exchange Derivatives

MARKET NOTICE 2016/083

Change of Market Rules and Price-Quantity Controls for Bilaterally Negotiated Trades

London Stock Exchange Derivatives Market (LSEDM) informs Member Firms that the Market Rules and price-quantity controls for Bilaterally Negotiated Trades will be changed. The changes will be effective on **Monday, 28 November 2016 for manually reported trades** and on **Monday, 5 December 2016 for electronically reported trades**, respectively.

The revised Bilaterally Negotiated Trades Guidance includes new aggregation rules for equity and interest rate derivatives specifying how the legs of a trade including strategies should be treated for the purposes of meeting the price-quantity controls for a Block Trade.

While the product specific price-quantity controls for interest rate derivatives will be kept unchanged, new price-quantity controls for equity derivatives are outlined below and will be updated in the Bilaterally Negotiated Trade Guidance and the Trading Services Description:

Product	Order book quantity control		Block Trade price and quantity controls for Standard series			
	Max single order	Max combo order	Min quantity within bid/ask	Min quantity for outside spread	Allowable % from bid/ask	Max size
FTSE 100	5,000 lots	10,000 lots	1 lot	50 lots	+/- 7.5%	5,000 lots
FTSE UK SLQ	5,000 lots	10,000 lots	1 lot	50 lots	+/- 7.5%	5,000 lots
FTSE RIOB	5,000 lots	10,000 lots	1 lot	50 lots	+/- 7.5%	5,000 lots
OBX	50,000 lots	50,000 lots	1 lot	1 lot	Within bid/ask spread	50,000 lots
OBOSX	50,000 lots	50,000 lots	1 lot	1 lot	Within bid/ask spread	50,000 lots
BIST 30	5,000 lots	5,000 lots	1 lot	150 lots	+/- 7.5%	5,000 lots
UK Stocks (contract size = 1,000)	n/a	n/a	1 lot	1	Within bid/ask spread	30,000 lots
UK Stocks (contract size = 100)	n/a	n/a	1 lot	1	Within bid/ask spread	300,000 lots

Product	Order book quantity control		Block Trade price and quantity controls for Standard series				
	Max single order	Max combo order	Min quantity within bid/ask	Min quantity for outside spread	Allowable % from bid/ask	Max size	
Equity Futures	Norwegian stock	50,000 lots	50,000 lots	1 lot	1 lot	Within bid/ask spread	50,000 lots
	IOB DRs	10,000 lots	10,000 lots	1 lot	Market Maker quantity +1 lot	+/- 7.5%	50,000 lots
	IOB DR dividends	10,000 lots	10,000 lots	1 lot	1 lot	Within bid/ask spread	50,000 lots
Equity Options	FTSE 100	5,000 lots	10,000 lots	1 lot	300 lots	+/- 7.5%	5,000 lots
	FTSE 100 weekly	5,000 lots	10,000 lots	1 lot	300 lots	+/- 7.5%	5,000 lots
	FTSE RIOB	5,000 lots	10,000 lots	1 lot	300 lots	+/- 7.5%	5,000 lots
	OBX	50,000 lots	50,000 lots	1 lot	1 lot	Within bid/ask spread	50,000 lots
	BIST 30	5,000 lots	5,000 lots	1 lot	150 lots	+/- 15.0%	5,000 lots
	IOB DRs	10,000 lots	10,000 lots	1 lot	Market Maker quantity +1 lot	+/- 20%	50,000 lots
	UK Stocks (contract size = 1,000)	5,000 lots	5,000 lots	1 lot	50 lots 200 lots (VOD, LLOY)	+/- 7.5%	30,000 lots
	UK Stocks (contract size = 100)	50,000 lots	50,000 lots	1 lot	500 lots	+/- 7.5%	300,000 lots
Norwegian stock	50,000 lots	50,000 lots	1 lot	1 lot	Within bid/ask spread	50,000 lots	

The updated Bilaterally Negotiated Trade Guidance will be made available on 28 November 2016 and the Trading Services Description before 5 December 2016 on the LSEDM Document Library. A marked-up version of the Bilaterally Negotiated Trade Guidance is attached to this notice.

Member firms wishing to receive more information may contact the LSEDM Sales Team on +44 (0)20 7797 3833.

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