



January 8, 2010
ELXNTP-REG-10001

**RULES AMENDMENTS INCLUDING TERMS AND CONDITIONS FOR ELX
ULTRA LONG-TERM U.S. TREASURY BOND FUTURES CONTRACT**

Please be advised that ELX Futures, L.P. (“ELX Futures”) has amended Chapter IX of its rules to include terms and conditions for its Ultra Long-Term U.S. Treasury Bond Futures contract.

The amendments to ELX Rule IX-3 are limited to the addition of new section (f).

The text of the revised rules is provided as an attachment to this notice.

Please contact ELX Support at 877-359-6610/212-294-7771 or via e-mail at support@elxfutures.com with any questions.

TEXT OF PRODUCT TERMS AND CONDITIONS

New section (f) to be added to ELX Rule IX-3. Other sections of the rule remain unchanged.

(f) Ultra Long-Term U.S. Treasury Bond Futures:

(i) *Contract Size.* One U.S. Treasury bond having face value at maturity of \$100,000.

(ii) *Deliverable Grades.* U.S. Treasury bonds that, if callable, are not callable for at least 25 years from the first day of the delivery month or, if not callable, have a remaining term to maturity of at least 25 years from the first day of the delivery month. The invoice price equals the futures settlement price times a conversion factor, plus accrued interest. The conversion factor is the price of the delivered bond (\$1 par value) to yield 6 percent.

(iii) *Tick Size.* The minimum price fluctuation shall be one half of one thirty-second ($1/32$) of one point (\$15.625 rounded up to the nearest cent per Contract) except for inter-month spreads, where the minimum price fluctuation shall be one quarter of one thirty-second of one point (\$7.8125 per Contract). Par shall be on the basis of 100 points.

(iv) *Price Quote.* Points (\$1,000) and halves of $1/32$ of a point. For example, 105-16 represents 105 $16/32$, and 105-165 represents 105 $16.5/32$.

(v) *Delivery Months.* March, June, September and December.

(vi) *Last Trading Day.* Seventh Business Day preceding the last Business Day of the delivery month.

(vii) *First Delivery Day.* First Business Day of the delivery month.

(viii) *Last Delivery Day.* Last Business Day of the delivery month.

(ix) *Day of Intention.* No later than 9:00 p.m. on the second business day preceding the intended day of delivery, the short Clearing Privilege Holder must tender to the Clearinghouse all notices of intention to make delivery such as it has received from its customers who are short. Where an FCM, as a Clearing Privilege Holder, has an interest both long and short for customers on its

own books, it must tender all such notices of intention to deliver. To each short Clearing Privilege Holder who has issued a notice of intention to make delivery, the Clearinghouse shall assign long Clearing Privilege Holders who shall be obligated to take delivery. Upon making such assignment, the Clearinghouse shall promptly furnish to each short Clearing Privilege Holder making delivery the names of the long Clearing Privilege Holders assigned to take delivery from such short Clearing Privilege Holder.

(x) *Date of Delivery.* No later than 11:00 a.m. on the delivery day, the short Clearing Privilege Holder must have contract grade U.S. Treasury Bonds in place at its bank in delivery form acceptable to its bank. The short Clearing Privilege Holder must notify its bank to transfer contract grade U.S. Treasury Bonds by book-entry to the long Clearing Privilege Holder's account at the long Clearing Privilege Holder's bank on a delivery versus payment basis. On the delivery day, the long Clearing Privilege Holder must make funds available by 8:30 a.m. and notify its bank to accept contract grade U.S. Treasury Bonds and to remit the funds via the federal wire system to the short Clearing Privilege Holder's account at the short Clearing Privilege Holder's bank in payment for delivery of the notes or bonds. Contract grade U.S. Treasury Bonds must be transferred and payment must be made before 2:00 p.m. on the delivery day. All deliveries must be assigned by the Clearinghouse.

(xi) *Delivery Method.* Federal Reserve book-entry wire transfer system between accounts of Clearing members at qualified banks, in accordance with 31 CFR Part 306—General Regulations Governing U.S. Securities, Subpart O—Book-Entry Procedure, and 31 CFR Part 357—Regulations Governing Book-Entry of U.S. Treasury Bonds, Notes and Bills Held in Legacy Treasury Direct®.

(xii) *Seller Invoice to Buyer.* Upon determining the buyers obligated to accept deliveries tendered by issuers of delivery notices, the Clearinghouse will promptly furnish each issuer the names of the buyers obligated to accept delivery from the issuer, and a description of each security tendered by the issuer which was assigned by the Clearinghouse to each such buyer. Thereupon, sellers (issuers of delivery notices) shall prepare invoices addressed to their assigned buyers, describing the documents to be delivered to each such buyer. Such invoices shall show (i) the identity of the U.S. Treasury Bonds that shall be tendered and (ii) the amount which buyers must pay to sellers in settlement of the actual deliveries, based on the delivery prices established by the Clearinghouse, and adjusted for applicable interest payments. Such invoices shall be delivered to the Clearinghouse by the cut-off

time specified by the Clearinghouse from time to time in its operations manual on the Business Day preceding the day of delivery (deliveries to be made on the last delivery day may have a different specified cut-off time than deliveries on other delivery days). Upon receipt of such invoices, the Clearinghouse shall promptly make them available to buyers to whom they are addressed.

(xiii) *Buyer Invoice to Seller.* No later than 5:00 p.m. on the Business Day preceding the delivery day, the long Clearing Privilege Holder shall provide the short Clearing Privilege Holder a Banking Notification. The Banking Notification shall include the identification number and name of the long Clearing Privilege Holder taking delivery, the delivery date, the notification number of the Clearinghouse delivery assignment, the identification number and name of the short Clearing Privilege Holder making delivery, the quantity of the contract being delivered, the long Clearing Privilege Holder's bank, bank account number and specific instructions for the transfer of the securities.

(xiv) *Trading Hours.* 6:30 p.m. – 5:00 p.m., New York City time, Sunday – Friday. Trading for the 1st nearby contract will close at 1:01 p.m. ET on the Last Trading Day.

(xv) *Ticker Symbols.* Electronic Outright: ZUe.

(xvi) *Daily Price Limit.* None.

(xvii) *Position Limit (applicable to the last ten trading days of the expiring futures month).* 20,000.

(xviii) *Position Accountability.* 10,000.

(xix) *Reportable Level.* 1,500.