

5 February 2016

N01/16

Notification of rule amendments – intra-day auction for SETS equities

Introduction

1. Further to Stock Exchange Notice N14/15 issued on 15 July 2015, which notified member firms of London Stock Exchange's ("the Exchange") intention to introduce a new intra-day auction for SETS equities, the Exchange can now confirm its implementation date of **Monday 21 March 2016**.
2. The intra-day auction will occur each London business day (except on the two half-trading days at Christmas/New Year) at 12:00 Noon. As previously advised, it will consist of a two minute call period followed by a random 30 second period.
3. For more details on the functionality of the new intra-day auction for SETS equities, including a list of the equity segments, please see the Factsheet at:
www.lseg.com/sets/intra-day-auctions
4. As previously advised, there will be no change to the current FTSE index expiry arrangements (EDSP auction).

Rule amendments

5. This Notice sets out some amendments required to the "Rules of the London Stock Exchange" ("the rules") in order to clarify market maker obligations with respect to the intra-day auction. A marked-up version of the amendments, which are summarised below, is included as Attachment 1 to this Notice.

6. Definitions

- A new definition of "Scheduled Level 1 Only auction" is to be introduced.

Rule amendments

- Rule 4101 (Obligations of market makers in order driven securities) is being amended in order to include an obligation for a market maker to maintain an executable quote in each security in which it is registered for the duration of the "Scheduled Level 1 Only auction" including any extensions.

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Effective date

7. The rule amendments detailed in Attachment 1 will become effective from Monday 21 March 2016. An updated version of the rules will be available from the effective date on the Exchange's website at:

www.londonstockexchange.com/traders-and-brokers/rules-regulations/rules-regulations.htm

8. Any queries on this Notice should be addressed to the LSE Equity Team, telephone +44 (0)20 7382 7650 (STX 37650), email clients@lseg.com.

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This Stock Exchange Notice will be available on the website at
<http://www.londonstockexchange.com/en-gb/products/membershiptrading/rulesreg/stockexnoticesnew/>

Calls to London Stock Exchange plc may be recorded to enable London Stock Exchange to carry out its regulatory responsibilities