



London
Stock Exchange

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21 September 2009

**For the attention of the
chairman/senior partner/compliance officer,
all member firms**

N43/09

STOCK EXCHANGE NOTICE

Confirmation on Proposed Rule Amendments for Unsettled Lending Arrangements Subsequent to a Declaration of Default

1. Stock Exchange Notice N36/09 invited comments on the proposed introduction of a new rule to the default section of the Rules of the London Stock Exchange (“the rules”) which would allow it to impose a deadline on a defaulter and its counterparties for the notification of unsettled on-Exchange lending arrangements to the Exchange.
2. The Exchange received only one comment requesting that the Exchange’s default procedures state a minimum time period for the notification of any unsettled lending arrangements and recognise that exceptional circumstances may require an extended period for notification.
3. The Exchange will therefore introduce a standard minimum notification period of 30 calendar days and recognises that this period may be extended as deemed appropriate by the Exchange.
4. Attachment 1 to this Notice contains the confirmed rule amendments. The changes to the notification period are underlined. These amendments will come into effect immediately. A revised version of the rules reflecting these changes will be available on the Exchange’s website at <http://www.londonstockexchange.com/traders-and-brokers/rules-regulations/rules-regulations.htm>
5. Any comments or queries on this Notice should be addressed to John Newbury, UK Regulation, telephone +44 (0)20 7797 1615 (STX 31615) or email jnewbury@londonstockexchange.com

Nick Bayley
Head of UK Regulation

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 the Exchange to carry out its regulatory responsibilities.