NOTICE OF LISTING OF PRODUCTS BY ICAP SEF (US) LLC FOR TRADING BY CERTIFICATION

1. This submission is made pursuant to CFTC Reg. 40.2 by ICAP SEF (US) LLC (the "SEF").

2. The products certified by this submission are the following: Fixed for Floating Interest Rate Swaps in CNY (the "Contract"). Renminbi ("RMB") is the official currency of the Peoples Republic of China ("PRC") and trades under the currency symbol CNY when traded in the PRC and trades under the currency symbol CNH when traded in off-shore markets.

3. Attached as Attachment A is a copy of the Contract's rules. The SEF is listing the Contracts by virtue of updating the terms and conditions of the Fixed for Floating Interest Rate Swaps submitted to the Commission for self-certification pursuant to Commission Regulation 40.2 on September 29, 2013. A copy of the Contract's rules marked to show changes from the version previously submitted is attached as Attachment B.

4. The SEF intends to make this submission of the certification of the Contract effective on the day following submission pursuant to CFTC Reg. 40.2(a)(2).

5. Attached as Attachment C is a certification from the SEF that the Contract complies with the Commodity Exchange Act and CFTC Regulations, and that the SEF has posted a notice of pending product certification and a copy of this submission on its website concurrent with the filing of this submission with the Commission.

6. As required by Commission Regulation 40.2(a), the following concise explanation and analysis demonstrates that the Contract complies with the core principles of the Commodity Exchange Act for swap execution facilities, and in particular Core Principle 3, which provides that a swap execution facility shall permit trading only in swaps that are not readily susceptible to manipulation, in accordance with the applicable guidelines in Appendix B to Part 37 and Appendix C to Part 38 of the Commission's Regulations for contracts settled by cash settlement and options thereon.

Appendix B to Part 37—Demonstration of Compliance That a Contract is Not Readily Susceptible to Manipulation

Core Principle 3 of Section 5h of the Act—Swaps Not Readily Susceptible to Manipulation. The swap execution facility shall permit trading only in swaps that are not readily susceptible to manipulation.

(a) Guidance.

(1) In general, a swap contract is an agreement to exchange a series of cash flows over a period of time based on some reference price, which could be a single price, such as an absolute level or a differential, or a price index calculated based on multiple observations. Moreover, such a reference price may be reported by the swap execution facility itself or by an independent third party. When listing a swap for trading, a swap execution facility shall ensure a swap's compliance with Core Principle 3, paying special attention to the reference price used to determine the cash flow exchanges. Specifically, Core Principle 3 requires that the reference price used by a swap not be readily susceptible to manipulation. As a result, when identifying a reference price, a swap execution facility should either: Calculate its own reference price using suitable and well-established acceptable methods or carefully select a reliable third-party index.

- The reference price on which the Contract settles is one of the benchmark interest rates set forth in the Contract's terms and conditions (each, a "Benchmark Rate"). Each new Benchmark Rate that is being added to the Contract's terms and conditions is calculated and published by a reliable independent third party that is either a government agency or a supervised manager of an inter-bank offered rate, as discussed in more detail below.

(2) The importance of the reference price's suitability for a given swap is similar to that of the final settlement price for a cash-settled futures contract. If the final settlement price is manipulated, then the futures contract does not serve its intended price discovery and risk management functions. Similarly, inappropriate reference prices cause the cash flows between the buyer and seller to differ from the proper amounts, thus benefitting one party and disadvantaging the other. Thus, careful consideration should be given to the potential for manipulation or distortion of the reference price.

- Please see below.

(3) For swaps that are settled by physical delivery or by cash settlement refer to the guidance in appendix C to part 38 of this chapter—Demonstration of Compliance That a Contract is not Readily Susceptible to Manipulation, section b(2) and section c(4), respectively.

- Please see below.

Appendix C to Part 38—Demonstration of Compliance That a Contract is Not Readily Susceptible to Manipulation

(c) Futures Contracts Settled by Cash Settlement. (1) Cash settlement is a method of settling certain futures or option contracts whereby, at contract expiration, the contract is settled by cash payment in lieu of physical delivery of the commodity or instrument underlying the contract. An acceptable specification of the cash settlement price for commodity futures and option contracts would include rules that fully describe the essential economic characteristics of the underlying commodity (e.g., grade, quality, weight, class, growth, issuer, maturity, source, rating, description of the underlying index and index's calculation methodology, etc.), as well as how the final settlement price is calculated. In addition, the

rules should clearly specify the trading months and hours of trading, the last trading day, contract size, minimum price change (tick size) and any limitations on price movements (e.g., price limits or trading halts).

- <u>Essential Economic Characteristics of the Contract</u>. The terms and conditions of the Contract matches the terms of fixed for floating swaps that are commonly offered in the market and are listed in <u>Attachment A</u>. The Contract is a cash-settled interest rate swap that allows a party to speculate on, or hedge risks associated with, interest rate movements. The Contract is available in multiple currencies and may require the exchange of interest rate payments based on a single currency ("Single Currency Swap"), or may require the parties to exchange principal and interest payments denominated in two different currencies ("Cross Currency Swaps"). In a Single Currency Swap, one party to the Contract (the "Buyer") makes periodic payments based on a fixed rate that is agreed to at the commencement of the Contract to the other party (the "Seller"). The Seller makes periodic payments at a floating rate based on one of the Benchmark Rates plus a specified percentage (*e.g.*, LIBOR + 2%). In a Cross Currency Swap, periodic interest rate payments are exchanged as described above for a Single Currency Swap. Additionally, the parties exchange the principal on loans denominated in the two different currencies. The Contract requires that periodic payments are exchanged for a specified period based on a notional amount. Settlement of the Contract is based on the selected Benchmark Rate over a term to maturity. In the Cross Currency Swap, the amount of the periodic payments for the two legs are exchanged and converted into a major currency for net settlement after fixing. All of the essential terms of the Contract, other than the payments contingent on the Benchmark Rates, are agreed at the effective date of the Contract ("Effective Date"). This submission is adding CNY to the available currencies for the Contract and the relevant Benchmark Rates and day count conventions associated with CNY, as discussed below, as well as adding Cross Currency Swaps. All the other terms and conditions of the Contract remain as previously certified.

- <u>Calculation of Cash Settlement Price</u>. One leg of the Contract will pay a fixed rate established at the Effective Date and which will remain unchanged throughout the life of the Contract. The other leg of the Contract will pay a floating set rate that is also established at the Effective Date (*e.g.*, LIBOR + 2%). For Cross Currency Swaps, the parties will also exchange the principal amounts of the relevant loans each party has separately obtained. The calculation of the relevant Benchmark Rate is governed by a standard set of rules and calculation procedures published by the Benchmark Rate provider, as discussed below.

(2) Cash settled contracts may be susceptible to manipulation or price distortion. In evaluating the susceptibility of a cash-settled contract to manipulation, a designated contract market should consider the size and liquidity of the cash market that underlies the listed contract in a manner that follows the determination of deliverable supply as noted above in (b)(1). In particular, situations susceptible to manipulation include those in which the volume of cash market transactions and/or the number of participants contacted in determining the cash-settlement price are very low. Cash-settled contracts may create an incentive to manipulate or artificially influence the data from which the cash-settlement price is derived or to exert undue influence on the cash-settlement price's computation in order to profit on a futures position in that commodity. The utility of a cash-settled contract for risk management and price discovery would be significantly impaired if the cash settlement price is not a reliable or robust indicator of the value of the underlying commodity or instrument. Accordingly, careful consideration should be given to the potential for manipulation or distortion of the cash settlement price, as well as the reliability of that price as an indicator of cash market values. Appropriate consideration also should be given to the commercial acceptability, public availability, and timeliness of the price series that is used to calculate the cash settlement price. Documentation demonstrating that the settlement price index is a reliable indicator of market values and conditions and is commonly used as a reference index by industry/market agents should be provided. Such documentation may take on various forms, including carefully documented interview results with knowledgeable agents.

- <u>Contract Not Readily Susceptible to Manipulation.</u> The Contract is not readily susceptible to manipulation for a number of reasons. As noted above, all of the essential terms of the Contract, other than the payments contingent on the Benchmark Rates, are agreed at the Effective Date, thereby reducing the impact of potentially unrepresentative data. Interest rate swaps are widely used by corporations, insurance companies, banks and governments to transfer and manage interest rate risk. The size and liquidity of the market in interest rate swaps is well documented and the significant liquidity in interest rate swaps such as the Contract makes the Contract difficult to manipulate. The floating rate of the Contract is the selected Benchmark Rate. Each new Benchmark Rate being added to the Contract's terms and conditions is widely used and is calculated and published by a reliable independent third party that is either a government agency or a supervised manager of an inter-bank offered rate. The new Benchmark Rates are:

    1. <u>SAFE Central Parity Rate</u>. The Central Parity Rate is a benchmark interest rate for RMB set by the People's Bank of China ("PBOC"), China's central bank, and the State Administration of Foreign Exchange ("SAFE"), China's regulator of the foreign exchange market, on a daily basis and announced by China Foreign Exchange Trade System ("CFETS"), a subsidiary of PBOC. Thompson Reuters ("Reuters") publishes the SAFE Central Parity Rate as "FX=SAEC," which the SEF has ready access to.[1]

    2. <u>PBOC 1 Year Deposit Rates</u>. The PBOC sets deposit rates as a matter of its monetary policy and publishes such rates. Reuters also publishes the PBOC deposit rates as "Reuters PBOC - 1y Depo," which the SEF has ready access to.[2]

    3. <u>CFETS Interbank Bond Repo Rate</u>. The CFETS Interbank Bond Repo Rate is derived from trading on the RMB trading system developed and managed by CFETS and is calculated for overnight repo (R001), 7-day repo (R007) and 14-day repo (R014). Reuters publishes the PBOC deposit rates as "CNREPOFIX=CFXS," which the SEF has ready access to.[3]

    4. <u>SHIBOR</u>. The Shanghai Interbank Offered Rate is calculated and announced by the National Interbank Funding Center in Shanghai ("NIFC"). The PBOC selects the panel banks that submit prices to the NIFC. Reuters publishes the PBOC deposit rates as "SHIBOR," which the SEF has ready access to.[4]

    5. <u>CNH HIBOR</u>. The Hong Kong Inter-bank Offered Rate for CNH ("CNH HIBOR") is managed by the Hong Kong Treasury Markets Association ("TMA") and calculated by Reuters as the official calculation agent appointed by the TMA. The Honk Kong Monetary Authority ("HKMA") selects the panel banks. Reuters publishes the CNH HIBOR, which the SEF has ready access to.[5]

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1 *See* PBOC monetary policy, available at: http://www.pbc.gov.cn/english/130727/index.html ("PBOC Monetary Policy"). *See* CFETS Parity Rate Formation Mechanism, available at http://www.chinamoney.com.cn/english/bmkcpr/. See also: http://www.reuters.net/productinfo/3000xtra/material/Reuters_3000Xtra_SpotlightChina.pdf ("Reuters Publishing").

2 *See* PBOC Monetary Policy; Reuters Publishing.

3 *See* CFETS Calculation Method, available at: http://www.chinamoney.com.cn/english/bmkfrr/. *See also* http://www.reuters.net/productinfo/3000xtra/material/Reuters_3000Xtra_SpotlightChina.pdf.

4 *See* http://www.shibor.org/shibor/web/html/index_e.html. *See also* Shibor Code of Conduct, available at: http://www.shibor.org/shibor/web/html/sszz_e.html.

5 The CNH HIBOR specifications are published by TMA and are available at: http://www.tma.org.hk/CNH_HIBOR_Fixing_Specifications_(English).pdf. *See also* http://www.reuters.net/productinfo/3000xtra/material/Reuters_3000Xtra_SpotlightChina.pdf.

The Central Parity Rate, PBOC Deposit Rate and CFETS Interbank Bond Repo Rate are set or calculated by government agencies making such rates difficult to manipulate. SHIBOR and CNH HIBOR are inter-bank offered rates based on comprehensive, well-established and transparent rules that govern, among other things, the selection of banks which submit prices, the appointment of the relevant calculation agent and the calculation of the offered rate.[6] SHIBOR and CNH HIBOR are widely accepted by market participants as reliable inter-bank offered rates. Furthermore, the development and management of SHIBOR and CNY HIBOR is rules-based, therefore making it difficult for individuals or entities to change calculation of amounts due under the Contract. Additionally, each Benchmark Rate is widely followed by numerous market participants and basing interest rate swaps on the Benchmark Rates has been a longstanding and widely accepted practice. Accordingly, the Contract is not easily susceptible to manipulation or price distortion because the method of determining the cash settlement price is based on terms that are fixed at the Effective Date of the Contract and a reliable Benchmark Rate.

(3) Where an independent, private-sector third party calculates the cash settlement price series, a designated contract market should consider the need for a licensing agreement that will ensure the designated contract market's rights to the use of the price series to settle the listed contract.

(i) Where an independent, private-sector third party calculates the cash settlement price series, the designated contract market should verify that the third party utilizes business practices that minimize the opportunity or incentive to manipulate the cash-settlement price series. Such safeguards may include lock-downs, prohibitions against derivatives trading by employees, or public dissemination of the names of sources and the price quotes they provide. Because a cash-settled contract may create an incentive to manipulate or artificially influence the underlying market from which the cash-settlement price is derived or to exert undue influence on the cash-settlement computation in order to profit on a futures position in that commodity, a designated contract market should, whenever practicable, enter into an information-sharing agreement with the third-party provider which would enable the designated contract market to better detect and prevent manipulative behavior.

- <u>Independent Third-Party Pricing</u>. As described above, the cash settlement price is calculated through a cash settlement method that is not easily susceptible to manipulation. The PBOC, SAFE, CFETS and HKMA are governmental agencies which either publish the relevant Benchmark Rates or supervise the calculation of the Benchmark Rates that are inter-bank offered rates, including in the case of the PBOC and HKMA by selecting the panel banks that submit prices to the calculation agent of the relevant inter-bank offered rate. NIFC, TMA and Reuters manage and/or calculate SHIBOR and HIBOR. The SEF believes that each of the PBOC, SAFE, CFETS, NIFC, HKMA, TMA and Reuters is impartial, employs appropriate safeguards against manipulation to protect the value of the relevant Benchmark Rate, and uses business practices that minimize the opportunity or incentive to manipulate the reference index associated with the Contract's exchange of cash flows. To the extent that the SEF's Market Regulation Department determines that there is reason to suspect manipulation or attempted manipulation with respect to the Contract that involves the one of the Benchmark Rates, it will so inform the government agency or manager of the relevant inter-bank offered rate, as applicable, and will seek to share information as necessary to investigate the potential manipulation or attempted manipulation.

[6] See FN 4 and FN 5 for the Shibor Code of Conduct and the CNY HIBOR specifications.

(ii) Where a designated contract market itself generates the cash settlement price series, the designated contract market should establish calculation procedures that safeguard against potential attempts to artificially influence the price. For example, if the cash settlement price is derived by the designated contract market based on a survey of cash market sources, the designated contract market should maintain a list of such entities which all should be reputable sources with knowledge of the cash market. In addition, the sample of sources polled should be representative of the cash market, and the poll should be conducted at a time when trading in the cash market is active.

- Please see above.

(iii) The cash-settlement calculation should involve computational procedures that eliminate or reduce the impact of potentially unrepresentative data.

- Please see above.

(iv) The cash settlement price should be an accurate and reliable indicator of prices in the underlying cash market. The cash settlement price also should be acceptable to commercial users of the commodity contract. The registered entity should fully document that the settlement price is accurate, reliable, highly regarded by industry/market agents, and fully reflects the economic and commercial conditions of the relevant designated contract market.

- Please see above.

(v) To the extent possible, the cash settlement price should be based on cash price series that are publicly available and available on a timely basis for purposes of calculating the cash settlement price at the expiration of a commodity contract. A designated contract market should make the final cash settlement price and any other supporting information that is appropriate for release to the public, available to the public when cash settlement is accomplished by the derivatives clearing organization. If the cash settlement price is based on cash prices that are obtained from non-public sources (e.g., cash market surveys conducted by the designated contract market or by third parties on behalf of the designated contract market), a designated contract market should make available to the public as soon as possible after a contract month's expiration the final cash settlement price as well as any other supporting information that is appropriate or feasible to make available to the public.

- The various Benchmark Rates are readily available via a number of sources, including Reuters as noted above.

(4) Contract terms and conditions requirements for futures contracts settled by cash settlement.

(i) An acceptable specification of the terms and conditions of a cash-settled commodity contract will also set forth the trading months, last trading day, contract size, minimum price change (tick size) and daily price limits, if any.

- The essential terms and conditions of the Contract are attached as <u>Attachment A</u>.

(A) Commodity Characteristics: The terms and conditions of a commodity contract should describe the commodity underlying the contract.

  - The terms and conditions of the Contract specify that the Contract is based on the Benchmark Rates.

(B) Contract Size and Trading Unit: An acceptable specification of the trading unit would be a contract size that is consistent with customary transactions in the cash market. A designated contract market may opt to set the contract size smaller than that of standard cash market transactions.

- The size of the Contract is consistent with customary transactions in the market.

(C) Cash Settlement Procedure: The cash settlement price should be reliable, acceptable, publicly available, and reported in a timely manner as described in paragraphs (c)(3)(iv) and (c)(3)(v) of this appendix C.

- The cash settlement procedures and an explanation of how the Contract is not readily susceptible to manipulation are described above.

(D) Pricing Basis and Minimum Price Fluctuation (Minimum Tick): The minimum price increment (tick) should be set a level that is equal to, or less than, the minimum price increment commonly observed in cash market transactions for the underlying commodity. Specifying a futures' minimum tick that is greater than the minimum price increment in the cash market can undermine the risk management utility of the futures contract by preventing hedgers from efficiently establishing and liquidating futures positions that are used to hedge anticipated cash market transactions or cash market positions.

- As agreed to between the parties.

(E) Maximum Price Fluctuation Limits: Designated contract markets may adopt price limits to: (1) Reduce or constrain price movements in a trading day that may not be reflective of true market conditions but might be caused by traders overreacting to news; (2) Allow additional time for the collection of margins in times of large price movements; and (3) Provide a "cooling-off" period for futures market participants to respond to bona fide changes in market supply and demand fundamentals that would lead to large cash and futures price changes. If price-limit provisions are adopted, the limits should be set at levels that are not overly restrictive in relation to price movements in the cash market for the commodity underlying the futures contract. For broad-based stock index futures contracts, rules should be adopted that coordinate with New York Stock Exchange ("NYSE") declared Circuit Breaker Trading Halts (or other market coordinated Circuit Breaker mechanism) and would recommence trading in the futures contract only after trading in the majority of the stocks underlying the index has recommenced.

- The SEF believes price limits are not necessary for the Contract and accordingly has not adopted price limits.

(F) Last Trading Day: Specification of the last trading day for expiring contracts should be established such that it occurs before publication of the underlying third-party price index or determination of the final settlement price. If the designated contract market chooses to allow trading to occur through the determination of the final settlement price, then the designated contract market should show that futures trading would not distort the final settlement price calculation.

- The last trading day for a Contract is the Maturity Date of the Contract, which is set by the counterparties. The Benchmark Rates are published daily.

(G) Trading Months: Trading months should be established based on the risk management needs of commercial entities as well as the availability of price and other data needed to calculate the cash settlement price in the specified months. Specification of the last trading day should take into consideration whether the volume of transactions underlying the cash settlement price would be unduly limited by occurrence of holidays or traditional holiday periods in the cash market. Moreover, a contract should not be listed past the date for which the designated contract market has access to use a proprietary price index for cash settlement.

- The Maturity Date of the Contract is agreed to between the parties and based on their risk management needs. The Maturity Date may be in any calendar month.

(H) Speculative Limits: Specific rules and policies for speculative position limits are set forth in part 150 and/or part 151, as applicable, of the Commission's regulations.

- None are currently required by the Commission. If and to the extent the Commission imposes speculative limits on the Contract, the limits imposed by the SEF will be the same.

(I) Reportable Levels: Refer to § 15.03 of the Commission's regulations.

- None are currently required by the Commission. If and to the extent the Commission imposes a reporting requirement based on reportable levels of the Contract imposed by the Commission, the reportable levels imposed by the SEF will be the same.

(J) Trading Hours: Should be set by the designated contract market to delineate each trading day.

- Order Book: 24 Hours, beginning at 3:00 p.m. Eastern Time on Sunday and ending at 5:30 p.m. Eastern Time on Friday.
- All Pre-Arranged Crosses: 24 Hours, beginning at 3:00 p.m. Eastern Time on Sunday and ending at 5:30 p.m. Eastern Time on Friday.

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In addition to the foregoing, the SEF has adopted rules in its Rulebook prohibiting any Participant or Customer from engaging in manipulative trading activity and the SEF is required to, and will, monitor all trading on the SEF in order to identify any such manipulative activity. The SEF has authority to impose on its Participants and Customers fines and disciplinary sanctions in the event that such manipulative activity has occurred.

Attachment A

SEF Rule 801 (1)

Product Descriptions – Fixed for Floating IRS

Rule 801(1) – Fixed for Floating IRS

A Fixed for Floating IRS is an Interest Rate Swap for which settlement is in the form of periodic fixed interest payments and a stream of periodic floating interest payments based on an interest rate over a term to maturity. The interest rate payments are exchanged for a specified period based on a notional amount.

Currencies		
USD	AUD	HUF
EUR	CHF	RON
JPY	SEK	NZD
GBP	DKK	SAR
CLP	NOK	SGD
COL	ZAR	HKD
ARS	PLN	THB
PEN	TRY	RUB
MXN	CZK	KRW
BRL	ILS	CNY
CAD	AED	

Specifications

Trading Conventions

- Buyer (Payer) pays fixed interest rate and receives floating interest rate.
- Seller (Receiver) receives fixed interest rate and pays floating interest rate.

Swap Leg Conventions

- The terms of Fixed versus Floating Interest Rate Swaps are based on a number of combinations of the criteria below.
  - Fixed Leg
    - Payment Frequency
      - Monthly, Quarterly, Semi-Annually, or Annually
    - Day Count Convention
      - Actual/360, actual/365, 360/360, 30/360, 30E/360, Actual Fixed/365, actual /366, actual / actual, 1/1, 30E/360.ISDA, ACT/365.Fixed, ACT/365L, ACT/ACT.AFB, ACT/ACT.ICMA, ACT/ACT.ISDA, ACT/ACT.ISMA, BUS/252
    - Holiday Calendar
      - Applied in accordance for the country currency denoted for the instrument
    - Business Day Convention
      - Modified following with adjustment to period end dates. Business days in this convention must be valid business days for the countries denoted by the currency. If not, it will be the next day that is a business day on both calendars.
    - Fixed Rate
      - The traded interest rate yield or basis points on Trade Date
  - Floating Leg
    - Reset Frequency
      - Monthly, Quarterly, Semi-Annual
    - Day Count Convention
      - Actual/360, actual/365, 360/360, 30/360, 30E/360, Actual Fixed/365, actual /366, actual / actual, 1/1,

30E/360.ISDA, ACT/365.Fixed, ACT/365L, ACT/ACT.AFB, ACT/ACT.ICMA, ACT/ACT.ISDA, ACT/ACT.ISMA, BUS/252

- Holiday Calendar
  - o Applied in accordance for the country currency denoted for the instrument
- Business Day Convention
  - o Modified Following with adjustment to period end dates. Business days in this convention must be valid business days for the countries denoted by the currency. If not, it will be the next day that is a business day on both calendars.
- Fixed Rate
  - o The traded interest rate yield or basis points on Trade Date
- Interest Rate Benchmark
  - o EBOR, BBSW, LIBOR, EURIBOR, CIDOR, PRIBOR, CIBOR2, BUBOR, TELBOR, NIBOR, BKBM, WIBOR, STIBOR, JIBAR, SAIBOR, TIBOR, CZEONIA, TRLIBOR, MOSPRIME, Reuters – FX=SAEC, Reuters PBOC - 1y Depo, Reuters – CNREPOFIX=CFXS (R001, R007 and R0014), SHIBOR, CNH HIBOR

Effective Date

- The first date from which fixed and floating interest amounts accrue. It is also referred to as the Start Date or the Value Date. The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.

Trade Start Type

- Spot Starting
  - A swap whose Effective Date is 2 business days from the Trade Date (T+2).
- Forward Starting
  - A swap whose Effective Date is anything after the Effective Date for a Spot Starting swap.
- Same Day Starting
  - A swap whose Effective Date is the same as the Trade Date (T+0)

Maturity Date

- The final date until which Fixed and Floating amounts accrue

Tenor

- The duration of time from the Effective Date to the Maturity Date. Tenors of any duration greater than 0 years to 50 years.
  - Listed Tenors, also known as On-the-Run, are whole calendar year Spot Starting Contracts with a Tenor of 1 through 60 years.
  - Other Tenors, also known as Off-the-Run, means any partial year Tenor (Months, Weeks, Days).

Roll Day Convention

- The date used for determining all fixed and floating Reset Dates. Roll Days define the beginning and end of Fixed and Floating interest accrual periods.
- For On-the-Run Contracts, the Roll Day is the same date of the month as the Effective Date. For Off-the-Run Contracts, it can be any date of the month, subject to the provisions of the

Business Day Convention. Roll Day marks the start of a new interest accrual period, and is the date on which a Reset Rate takes effect.

Floating Reset Dates
- Dates utilized to determine the Floating Rate amounts for each interest accrual period during the Tenor of the contract. Except in the case of a Stub Period, the Reset Date is aligned with the floating rate frequency as determined.

First Period Fixing Date
- For Spot Starting swaps, the Interest Rate for the first interest period is fixed on the Trade Date, for both Floating and Fixed Rates.
- For Forward Starting swaps, the Fixed Rate for the first interest period is fixed on the Trade Date, and the Floating Rate for the first interest period is fixed 2 business days prior to the first floating payment date, taking into account agreed non-working days

Stub Period Rate
- For swaps with partial year Tenors, an interest period that is shorter than the standard underlying Floating index interest periods may occur between the Effective Date and the first or last Roll Date (knows as a Stub Period). In these cases, the Interest Rate for such Stub Period is determined using linear interpolation based on the two index rates that surround the Stub Period this can be applied either at the start or end of that period: Front or Back.

Trade Types
- The Platform may support the following trade types:
    - Outrights
        - An Outright swap is where one party is the payer of the fixed rate and receiver of the floating rate and the other party is the receiver of the fixed fate and payer of the floating rate.
    - Switches or Spreads
        - Is the simultaneous purchase and sale of two different Tenors of the yield curve (e.g. 2 year by 10 year).
    - Butterflies
        - Butterflies are a combination of two spreads/switches (e.g. 2 year by 5 year by 10 year).

Contract Size
- Minimum notional size is dependent on currency and tenor

Minimum Price Fluctuation
- Outrights
    - The interest rate yield is quoted in increments of a minimum of .000025 (1/40th of a basis point).
- Spreads and Butterflies will be quoted in basis points dependent in multiples of the increments of the underlying Outrights.

Final Settlement Price
- Multiple payments take place during the term of the swap. Settlement price used for the periodic exchange of fixed and floating payments is based on the following factors:
    - Fixed Leg

        - Payment amount on the fixed leg is based on the traded price and notional amounts of the swap on Trade Date. Payment timing on the fixed leg is based on the Payment Frequency, Day Count Convention, Business Day Convention, and Roll Day.
    - Floating Leg
        - Payment on the floating leg is based on the Interest Rate and notional amounts of the swap. Payments on the floating leg are based on the Payment Frequency, Day Count Convention, Business Day Convention, Roll Day Convention and Floating Reset Dates.

Cross Currency Swap (CCS)

- A CCS, also referred to as cross currency interest rate swap, is an agreement between two parties to exchange principal and interest payments denominated in two different currencies. The exchange of interest rate can be in the form floating to fixed rate.

Clearing

- Additionally, please see clearable contract definitions at http://www.lchclearnet.com/ and http://www.cmegroup.com/ and http://www.asx.com.au/services/clearing/asx-clear-futures.htm and http://www.jscc.co.jp/en/.

Colombian Interest Rate Swaps

The plain vanilla swap, fixed Colombian versus IBR (which is a Colombian floating overnight lending rate) is quoted with both fixed and floating side payment frequencies of bullet (or at maturity) for trades of 1 month to 18 months, or quarterly, 2 year thru 30 year.

Value: T+2
Fixed/ Floating Rate Frequency: Bullet (1 month to 18 month), Quarterly (2 year to 30 year)
Fixed/ Floating Rate Day count: ACT/360

This market is subject to modified NY and Bogota business days. When a swap matures on a NY or Bogota holiday, we will roll forward to the next good business day, unless month end, in which case we will roll back to the first good business day.

Colombian UVR (Inflation) Interest Rate Swaps

The plain vanilla swap, fixed UVR (which is a Colombian floating inflation index) versus floating 6 Month US Dollar Libor, is quoted with both fixed and floating side payment frequencies of semi-annually, 1 year thru 30 year.

Value: T+2
Fixed/ Floating Rate Frequency: Semi-Annually (1 year to 30 year)
Fixed/ Floating Rate Day count: ACT/360

This market is subject to modified NY and Bogota business days. When a swap matures on a NY or Bogota holiday, we will roll forward to the next good business day, unless month end, in which case we will roll back to the first good business day.

Colombian Cross Currency Interest Rate Swaps

The plain vanilla swap, fixed Colombian versus floating 6 Month US Dollar Libor, is quoted with both fixed and floating side payment frequencies of semi-annually, 1 year thru 30 year.

Value: T+2
Fixed/ Floating Rate Frequency: Semi-Annually (1 year to 30 year)
Fixed/ Floating Rate Day count: ACT/360

This market is subject to modified NY and Bogota business days. When a swap matures on a NY or Bogota holiday, we will roll forward to the next good business day, unless month end, in which case we will roll back to the first good business day.

Peruvian Cross Currency Interest Rate Swaps

The plain vanilla swap, fixed Peruvian versus floating 6 Month US Dollar Libor, is quoted with both fixed and floating side payment frequencies of semi-annually, 1 year thru 30 year.

Value: T+2
Fixed/ Floating Rate Frequency: Semi-Annually (1 year to 30 year)
Fixed/ Floating Rate Day count: ACT/360

This market is subject to modified NY and Lima business days. When a swap matures on a NY or Lima holiday, we will roll forward to the next good business day, unless month end, in which case we will roll back to the first good business day.

Peruvian Interest Rate Swaps

The plain vanilla swap, fixed Peru versus TIS (which is a Peruvian floating overnight lending rate) is quoted with both fixed and floating side payment frequencies of bullet (or at maturity) for trades of 1 month to 11 months, or quarterly, 1 year thru 30 year.

Value: T+2
Fixed/ Floating Rate Frequency: Bullet (1 month to 11 month), Quarterly (1 year to 30 year)
Fixed/ Floating Rate Day count: ACT/360

This market is subject to modified NY and Lima business days. When a swap matures on a NY or Lima holiday, we will roll forward to the next good business day, unless month end, in which case we will roll back to the first good business day.

Peruvian VAC (Inflation) Interest Rate Swaps

The plain vanilla swap, fixed VAC (which is a Peruvian floating inflation index) versus floating 6 Month US Dollar Libor, is quoted with both fixed and floating side payment frequencies of semi-annually, 1 year thru 30 year.

Value: T+2
Fixed/ Floating Rate Frequency: Semi-Annually (1 year to 30 year)
Fixed/ Floating Rate Day count: ACT/360

This market is subject to modified NY and Lima business days. When a swap matures on a NY or Lima holiday, we will roll forward to the next good business day, unless month end, in which case we will roll back to the first good business day.

Argentine Cross Currency Interest Rate Swaps

The plain vanilla swap, fixed Argentine versus floating 6 Month US Dollar Libor, is quoted with both fixed and floating side payment frequencies of semi-annually, 1 year thru 30 year.

Value: T+2
Fixed/ Floating Rate Frequency: Semi-Annually (1 year to 30 year)
Fixed/ Floating Rate Day count: 30/360

This market is subject to modified NY and Buenos Aires business days. When a swap matures on a NY or Buenos Aires holiday, we will roll forward to the next good business day, unless month end, in which case we will roll back to the first good business day.

Product Descriptions – Fixed for Floating IRS

Argentine CER (Inflation) Interest Rate Swaps

The plain vanilla swap, fixed CER (which is a Argentine floating inflation index) versus floating 6 Month US Dollar Libor, is quoted with both fixed and floating side payment frequencies of semi-annually, 1 year thru 30 year.

Value: T+2
Fixed/ Floating Rate Frequency: Semi-Annually (1 year to 30 year)
Fixed/ Floating Rate Day count: 30/360

This market is subject to modified NY and Buenos Aires business days. When a swap matures on a NY or Buenos Aires holiday, we will roll forward to the next good business day, unless month end, in which case we will roll back to the first good business day.

Mexican Interest Rates Swaps

The plain vanilla swap is quoted with both fixed and floating side payment frequencies of 28 days. Since the payment periods are 28 day "months", a one year swap will have 13 payment periods and a maturity of 364 days, a two year swap will have 26 periods, and so on.

Value: T+1
Fixed/ Floating Rate Frequency: 28 day rolls
Fixed/ Floating Rate Day count: ACT/360

This market is subject to Mexico following business day convention. When a 28 day period ends in a Mexican holiday, it is rolled forward to the next good business day in Mexico.

Prior to the 1998 inception of the Mexican TII IRS market, and in the absence of a viable repo market, forward foreign exchange provided the only opportunity to express bidirectional interest rate views. The interest rate swap market evolved at this time, as an alternative vehicle for both hedgers and speculators to go short or long, and at the same time reducing the credit profile of the trade along the term structure.

General Collateral Index Swaps (GCIS)

Currencies
USD

Specifications

Trading Conventions

- Buyer – A buyer of GCIS will pay the Fixed Rate and receive the Floating Rate
- Seller – A seller of GCIS will pay the Floating Rate and receive the Fixed Rate

GCIS Terms

- Effective Date
  - Trade Date + 2
- Termination Date
  - End Date (Maturity of trade)
- Floating Rate
  - DTCC GCF Repo Index

Day Count Convention

- Act/360

Holiday Calendar Conventions

- SIFMA/FICC

Business Day Conventions

- Modified Following

Product Descriptions – Fixed for Floating IRS

Effective Date

- The effective date will be a valid business day

Termination Date

- The maturity date will be a valid business day

Settlement

- Two business days after Termination date

Contract Size

- Minimum and Incremental Sizes
    - 50mm minimum
    - 25mm incremental

Quoting Convention

- GCIS are all quoted in percentage or fraction

Minimum and Incremental Price

- GCIS
    - No minimum
    - .00125

Reporting

- All GCIS trades are reported in accordance with NFA and SDR requirements

Clearing

- GCIS traded on ICAP SEF are not cleared

Attachment B

Marked SEF Rule 801 (1)

Product Descriptions – Fixed for Floating IRS

Rule 801(1) – Fixed for Floating IRS

A Fixed for Floating IRS is an Interest Rate Swap for which settlement is in the form of periodic fixed interest payments and a stream of periodic floating interest payments based on an interest rate over a term to maturity. The interest rate payments are exchanged for a specified period based on a notional amount.

Currencies		
USD	AUD	HUF
EUR	CHF	RON
JPY	SEK	NZD
GBP	DKK	SAR
CLP	NOK	SGD
COL	ZAR	HKD
ARS	PLN	THB
PEN	TRY	RUB
MXN	CZK	KRW
BRL	ILS	CNY
CAD	AED	

Specifications

Trading Conventions

- Buyer (Payer) pays fixed interest rate and receives floating interest rate.
- Seller (Receiver) receives fixed interest rate and pays floating interest rate.

Swap Leg Conventions

- The terms of Fixed versus Floating Interest Rate Swaps are based on a number of combinations of the criteria below.
  - Fixed Leg
    - Payment Frequency
      - Monthly, Quarterly, Semi-Annually, or Annually
    - Day Count Convention
      - Actual/360, actual/365, 360/360, 30/360, 30E/360, Actual Fixed/365, actual /366, actual / actual, 1/1, 30E/360.ISDA, ACT/365.Fixed, ACT/365L, ACT/ACT.AFB, ACT/ACT.ICMA, ACT/ACT.ISDA, ACT/ACT.ISMA, BUS/252
    - Holiday Calendar
      - Applied in accordance for the country currency denoted for the instrument
    - Business Day Convention
      - Modified following with adjustment to period end dates. Business days in this convention must be valid business days for the countries denoted by the currency. If not, it will be the next day that is a business day on both calendars.
    - Fixed Rate
      - The traded interest rate yield or basis points on Trade Date
  - Floating Leg
    - Reset Frequency
      - Monthly, Quarterly, Semi-Annual
    - Day Count Convention
      - Actual/360, actual/365, 360/360, 30/360, 30E/360, Actual Fixed/365, actual /366, actual / actual, 1/1,

30E/360.ISDA, ACT/365.Fixed, ACT/365L, ACT/ACT.AFB, ACT/ACT.ICMA, ACT/ACT.ISDA, ACT/ACT.ISMA, BUS/252

- Holiday Calendar
  - Applied in accordance for the country currency denoted for the instrument
- Business Day Convention
  - Modified Following with adjustment to period end dates. Business days in this convention must be valid business days for the countries denoted by the currency. If not, it will be the next day that is a business day on both calendars.
- Fixed Rate
  - The traded interest rate yield or basis points on Trade Date
- Interest Rate Benchmark
  - EBOR, BBSW, LIBOR, EURIBOR, CIDOR, PRIBOR, CIBOR2, BUBOR, TELBOR, NIBOR, BKBM, WIBOR, STIBOR, JIBAR, SAIBOR, TIBOR, CZEONIA, TRLIBOR, MOSPRIME, Reuters – FX=SAEC, Reuters PBOC - 1y Depo, Reuters – CNREPOFIX=CFXS (R001, R007 and R0014), SHIBOR, CNH HIBOR

Effective Date
- The first date from which fixed and floating interest amounts accrue. It is also referred to as the Start Date or the Value Date. The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.

Trade Start Type
- Spot Starting
  - A swap whose Effective Date is 2 business days from the Trade Date (T+2).
- Forward Starting
  - A swap whose Effective Date is anything after the Effective Date for a Spot Starting swap.
- Same Day Starting
  - A swap whose Effective Date is the same as the Trade Date (T+0)

Maturity Date
- The final date until which Fixed and Floating amounts accrue

Tenor
- The duration of time from the Effective Date to the Maturity Date. Tenors of any duration greater than 0 years to 50 years.
  - Listed Tenors, also known as On-the-Run, are whole calendar year Spot Starting Contracts with a Tenor of 1 through 60 years.
  - Other Tenors, also known as Off-the-Run, means any partial year Tenor (Months, Weeks, Days).

Roll Day Convention
- The date used for determining all fixed and floating Reset Dates. Roll Days define the beginning and end of Fixed and Floating interest accrual periods.
- For On-the-Run Contracts, the Roll Day is the same date of the month as the Effective Date. For Off-the-Run Contracts, it can be any date of the month, subject to the provisions of the

Business Day Convention. Roll Day marks the start of a new interest accrual period, and is the date on which a Reset Rate takes effect.

Floating Reset Dates

- Dates utilized to determine the Floating Rate amounts for each interest accrual period during the Tenor of the contract. Except in the case of a Stub Period, the Reset Date is aligned with the floating rate frequency as determined.

First Period Fixing Date

- For Spot Starting swaps, the Interest Rate for the first interest period is fixed on the Trade Date, for both Floating and Fixed Rates.
- For Forward Starting swaps, the Fixed Rate for the first interest period is fixed on the Trade Date, and the Floating Rate for the first interest period is fixed 2 business days prior to the first floating payment date, taking into account agreed non-working days

Stub Period Rate

- For swaps with partial year Tenors, an interest period that is shorter than the standard underlying Floating index interest periods may occur between the Effective Date and the first or last Roll Date (knows as a Stub Period). In these cases, the Interest Rate for such Stub Period is determined using linear interpolation based on the two index rates that surround the Stub Period this can be applied either at the start or end of that period: Front or Back.

Trade Types

- The Platform may support the following trade types:
    - Outrights
        - An Outright swap is where one party is the payer of the fixed rate and receiver of the floating rate and the other party is the receiver of the fixed fate and payer of the floating rate.
    - Switches or Spreads
        - Is the simultaneous purchase and sale of two different Tenors of the yield curve (e.g. 2 year by 10 year).
    - Butterflies
        - Butterflies are a combination of two spreads/switches (e.g. 2 year by 5 year by 10 year).

Contract Size

- Minimum notional size is dependent on currency and tenor

Minimum Price Fluctuation

- Outrights
    - The interest rate yield is quoted in increments of a minimum of .000025 (1/40th of a basis point).
- Spreads and Butterflies will be quoted in basis points dependent in multiples of the increments of the underlying Outrights

Final Settlement Price

- Multiple payments take place during the term of the swap. Settlement price used for the periodic exchange of fixed and floating payments is based on the following factors:
    - Fixed Leg

- Payment amount on the fixed leg is based on the traded price and notional amounts of the swap on Trade Date. Payment timing on the fixed leg is based on the Payment Frequency, Day Count Convention, Business Day Convention, and Roll Day.

- Floating Leg
  - Payment on the floating leg is based on the Interest Rate and notional amounts of the swap. Payments on the floating leg are based on the Payment Frequency, Day Count Convention, Business Day Convention, Roll Day Convention and Floating Reset Dates.

Cross Currency Swap (CCS)

- A CCS, also referred to as cross currency interest rate swap, is an agreement between two parties to exchange principal and interest payments denominated in two different currencies. The exchange of interest rate can be in the form floating to fixed rate.

Clearing

- Additionally, please see clearable contract definitions at http://www.lchclearnet.com/ and http://www.cmegroup.com/ and http://www.asx.com.au/services/clearing/asx-clear-futures.htm and http://www.jscc.co.jp/en/.

Colombian Interest Rate Swaps

The plain vanilla swap, fixed Colombian versus IBR (which is a Colombian floating overnight lending rate) is quoted with both fixed and floating side payment frequencies of bullet (or at maturity) for trades of 1 month to 18 months, or quarterly, 2 year thru 30 year.

Value: T+2
Fixed/ Floating Rate Frequency: Bullet (1 month to 18 month), Quarterly (2 year to 30 year)
Fixed/ Floating Rate Day count: ACT/360

This market is subject to modified NY and Bogota business days. When a swap matures on a NY or Bogota holiday, we will roll forward to the next good business day, unless month end, in which case we will roll back to the first good business day.

Colombian UVR (Inflation) Interest Rate Swaps

The plain vanilla swap, fixed UVR (which is a Colombian floating inflation index) versus floating 6 Month US Dollar Libor, is quoted with both fixed and floating side payment frequencies of semi-annually, 1 year thru 30 year.

Value: T+2
Fixed/ Floating Rate Frequency: Semi-Annually (1 year to 30 year)
Fixed/ Floating Rate Day count: ACT/360

This market is subject to modified NY and Bogota business days. When a swap matures on a NY or Bogota holiday, we will roll forward to the next good business day, unless month end, in which case we will roll back to the first good business day.

Colombian Cross Currency Interest Rate Swaps

The plain vanilla swap, fixed Colombian versus floating 6 Month US Dollar Libor, is quoted with both fixed and floating side payment frequencies of semi-annually, 1 year thru 30 year.

Value: T+2
Fixed/ Floating Rate Frequency: Semi-Annually (1 year to 30 year)
Fixed/ Floating Rate Day count: ACT/360

Product Descriptions – Fixed for Floating IRS

This market is subject to modified NY and Bogota business days. When a swap matures on a NY or Bogota holiday, we will roll forward to the next good business day, unless month end, in which case we will roll back to the first good business day.

Peruvian Cross Currency Interest Rate Swaps

The plain vanilla swap, fixed Peruvian versus floating 6 Month US Dollar Libor, is quoted with both fixed and floating side payment frequencies of semi-annually, 1 year thru 30 year.

Value: T+2
Fixed/ Floating Rate Frequency: Semi-Annually (1 year to 30 year)
Fixed/ Floating Rate Day count: ACT/360

This market is subject to modified NY and Lima business days. When a swap matures on a NY or Lima holiday, we will roll forward to the next good business day, unless month end, in which case we will roll back to the first good business day.

Peruvian Interest Rate Swaps

The plain vanilla swap, fixed Peru versus TIS (which is a Peruvian floating overnight lending rate) is quoted with both fixed and floating side payment frequencies of bullet (or at maturity) for trades of 1 month to 11 months, or quarterly, 1 year thru 30 year.

Value: T+2
Fixed/ Floating Rate Frequency: Bullet (1 month to 11 month), Quarterly (1 year to 30 year)
Fixed/ Floating Rate Day count: ACT/360

This market is subject to modified NY and Lima business days. When a swap matures on a NY or Lima holiday, we will roll forward to the next good business day, unless month end, in which case we will roll back to the first good business day.

Peruvian VAC (Inflation) Interest Rate Swaps

The plain vanilla swap, fixed VAC (which is a Peruvian floating inflation index) versus floating 6 Month US Dollar Libor, is quoted with both fixed and floating side payment frequencies of semi-annually, 1 year thru 30 year.

Value: T+2
Fixed/ Floating Rate Frequency: Semi-Annually (1 year to 30 year)
Fixed/ Floating Rate Day count: ACT/360

This market is subject to modified NY and Lima business days. When a swap matures on a NY or Lima holiday, we will roll forward to the next good business day, unless month end, in which case we will roll back to the first good business day.

Argentine Cross Currency Interest Rate Swaps

The plain vanilla swap, fixed Argentine versus floating 6 Month US Dollar Libor, is quoted with both fixed and floating side payment frequencies of semi-annually, 1 year thru 30 year.

Value: T+2
Fixed/ Floating Rate Frequency: Semi-Annually (1 year to 30 year)
Fixed/ Floating Rate Day count: 30/360

This market is subject to modified NY and Buenos Aires business days. When a swap matures on a NY or Buenos Aires holiday, we will roll forward to the next good business day, unless month end, in which case we will roll back to the first good business day.

Product Descriptions – Fixed for Floating IRS

Argentine CER (Inflation) Interest Rate Swaps

The plain vanilla swap, fixed CER (which is a Argentine floating inflation index) versus floating 6 Month US Dollar Libor, is quoted with both fixed and floating side payment frequencies of semi-annually, 1 year thru 30 year.

Value: T+2
Fixed/ Floating Rate Frequency: Semi-Annually (1 year to 30 year)
Fixed/ Floating Rate Day count: 30/360

This market is subject to modified NY and Buenos Aires business days. When a swap matures on a NY or Buenos Aires holiday, we will roll forward to the next good business day, unless month end, in which case we will roll back to the first good business day.

Mexican Interest Rates Swaps

The plain vanilla swap is quoted with both fixed and floating side payment frequencies of 28 days. Since the payment periods are 28 day "months", a one year swap will have 13 payment periods and a maturity of 364 days, a two year swap will have 26 periods, and so on.

Value: T+1
Fixed/ Floating Rate Frequency: 28 day rolls
Fixed/ Floating Rate Day count: ACT/360

This market is subject to Mexico following business day convention. When a 28 day period ends in a Mexican holiday, it is rolled forward to the next good business day in Mexico.

Prior to the 1998 inception of the Mexican TII IRS market, and in the absence of a viable repo market, forward foreign exchange provided the only opportunity to express bidirectional interest rate views. The interest rate swap market evolved at this time, as an alternative vehicle for both hedgers and speculators to go short or long, and at the same time reducing the credit profile of the trade along the term structure.

General Collateral Index Swaps (GCIS)

Currencies
USD

Specifications

Trading Conventions

- Buyer – A buyer of GCIS will pay the Fixed Rate and receive the Floating Rate
- Seller – A seller of GCIS will pay the Floating Rate and receive the Fixed Rate

GCIS Terms

- Effective Date
  - Trade Date + 2
- Termination Date
  - End Date (Maturity of trade)
- Floating Rate
  - DTCC GCF Repo Index

Day Count Convention

- Act/360

Holiday Calendar Conventions

- SIFMA/FICC

Business Day Conventions

- Modified Following

Product Descriptions – Fixed for Floating IRS

Effective Date

- The effective date will be a valid business day

Termination Date

- The maturity date will be a valid business day

Settlement

- Two business days after Termination date

Contract Size

- Minimum and Incremental Sizes
    - 50mm minimum
    - 25mm incremental

Quoting Convention

- GCIS are all quoted in percentage or fraction

Minimum and Incremental Price

- GCIS
    - No minimum
    - .00125

Reporting

- All GCIS trades are reported in accordance with NFA and SDR requirements

Clearing

- GCIS traded on ICAP SEF are not cleared

ATTACHMENT C – CERTIFICATION PURSUANT TO CFTC REGULATION 40.2

The undersigned hereby certifies that each product described in this submission complies with the Commodity Exchange Act and the CFTC Regulations thereunder, and that concurrent with the filing of this submission with the Commission, ICAP SEF (US) LLC will be posting on its website, on January 20, 2017, a copy of this submission and a notice of pending product certification of this product with the Commission.

ICAP SEF (US) LLC

By: Gregory Compa
Title: Chief Compliance Officer
Date: January 20, 2017