

**Market Appendix 1 – Order Book Market
"Order Book Market Appendix"**

1. Definitions and Interpretation

The following definitions shall apply only to this Market Appendix in addition to the definitions contained in the iSwap Venue Rulebook.

Authorised Trader Desk Manager	A user of the iSwap Venue being a Member Participant's authorised employee, officer, agent, Affiliate or designee as notified to the Operator by Member Participant who has been granted certain trading permissions as set out in the Schedule.
CTD Bond	The government bond, contained in the basket of deliverable bonds defined by the relevant futures exchange, which is cheapest to deliver against the relevant Future.
Forward Rate Agreement (FRA)	An interest rate derivative in which, for a reference period in the future, one counterparty agrees to pay an agreed fixed interest rate, and the other counterparty agrees to pay a reference floating interest rate, on a notional amount in a specified currency.
Implied Order	An implied order is a tradeable order automatically generated from two or more orders.
Mid Market Trade	A Trade that occurs at the Order Book Mid
Order Book	The iSwap Venue central limit order book made available by the Operator for the submission of Orders and the Matching of Trades in accordance with this Order Book Market Appendix.
Order Book Mid	The price level announced from time to time by the Operator for a Product, in the discretion of the Operator, set in accordance with Rule 5.155.14 .
Overnight Index Swaps (OIS)	An Interest Rate Swap in respect of which the floating interest rate is determined by reference to an index based on overnight interbank interest rates.
YTM	Yield to maturity.

2. General

- 2.1 This Order Book Market Appendix sets out additional Rules for participation and trading of the Product(s) on the Order Book, to ensure the orderly conduct of business.
- 2.2 Where indicated, certain Rules in this Appendix have specific application to certain Products. The Rules are binding on all Participants.
- 2.3 Broker Participants are permitted to deal with Member Participants on the Order Book and will:
 - 2.3.1 submit all Orders on behalf of Member Participant as soon as reasonably practicable after instructions to place the Orders are received from such Member Participant; and
 - 2.3.2 invoice a Member Participant for whom it is authorised to act directly in relation to any applicable fees for its services.
- 2.3.3 Pursuant to Commission Regulation 37.202, iSwap will provide impartial access to its market(s) and market services, including any indicative quote screens or any similar pricing data displays. iSwap will maintain criteria governing such access that are impartial, transparent, and applied in a fair and nondiscriminatory manner.

3. Trading Day

- 3.1 The Trading Day for the Product(s) is:
 - 3.1.1 in respect of Product(s) denominated in Euro, 08.30 – 18.00 Netherlands time (07.30 – 17.00 UK time; 02.30 - 12.00 NY time) Monday to Friday; and
 - 3.1.2 in respect of Product(s) denominated in Pound Sterling, 08.30 – 17.15 Netherlands time (07.30 – 16.15 UK time; 23:30 - 11:15 US time) Monday to Friday.

~~3.2 Trading is not permitted outside the Trading Day except for Large in Scale Trade registrations as specified in the Schedule.~~

4. Product(s)

General

- 4.1 The Product(s) traded on the Order Book are:
 - 4.1.1 IRS denominated in Euro and GBP;
 - 4.1.2 OIS denominated in Euro (EONIA) and GBP (SONIA); and
 - 4.1.3 FRA denominated in Euro.
- 4.2 Each Product is made up of one or more Eligible Instruments.

- 4.3 The Order Book supports outright and strategy Eligible Instruments. Strategy Eligible Instruments include spreads, butterflies, Futures Crosses and basis. Each of the Eligible Instruments traded on the Order Book shall be dealt with in accordance with the terms in this Rule 4, as applicable.

All Orders

- 4.4 Participants may only submit limit Orders to the Order Book. The types of limit Orders and durations of those Orders that may be submitted to the Order Book are prescribed in the Schedule.
- 4.5 Orders submitted to the Order Book must specify the volume, price, duration and whether it is a buy or sell Order.
- 4.6 The Order Book displays the currency and tenor of the Eligible Instrument(s).
- 4.7 All Orders can imply into other Orders, to the extent possible.
- 4.8 Implied Orders are automatically generated from outright orders into strategies, a combination of outright and strategy orders or a combination of strategy orders.

Strategy Orders

- 4.9 The Order Book displays the size ratio of the constituent legs of Strategy Eligible Instruments.
- 4.10 All strategy Orders are submitted and Matched using the default duration ratios set by Operator. These ratios are set at the start of the Trading Day, and updated periodically by Operator during trading hours.
- 4.11 Trade sizes are rounded down to the nearest 0.1 million.
- 4.12 When entering a spread Order onto the Order Book, the Order size shall be taken to relate to the longer leg of the spread Order. When entering a butterfly Order onto the Order Book, the Order size shall be taken to relate to the middle leg of the butterfly Order.

Futures Cross Orders

- 4.13 The following sub-clauses will apply where Participants submit Futures Cross Orders onto the Order Book:
- 4.13.1 Once a Futures Cross Order is Matched, the iSwap Venue will automatically submit the resulting Futures leg to the relevant futures exchange [via ICAP Securities Limited via TP ICAP Europe SA](#) for acceptance. Operator will provide Participants with the details of the Futures Cross Trade they have entered into once accepted by the relevant Futures exchange.

- 4.13.2 The spread price of the Futures Cross Order is the sum of: (i) the fixed rate of an Interest Rate Swap which starts on the delivery date of the relevant Future and matures on the maturity date of the relevant CTD Bond; less (ii) the yield of the relevant Future.
- 4.13.3 The Futures leg of the Futures Cross Trade is priced at the last traded price of such Future on the relevant futures exchange at the time of the initial Match of the Futures Cross Order. This price is multiplied by the conversion factor of the corresponding CTD Bond and then converted to a yield using the simple YTM formula (which can be replicated on Bloomberg or in Excel's =YIELD function). This gives a 5dp yield, to which the traded Interest Rate Swap spread is added giving a 5dp swap rate.
- 4.13.4 The Operator, at its discretion, sets the ratio between the notional principal of an Interest Rate Swap leg of the Trade and the number of contracts in which its corresponding Futures leg of the Trade is executed. This is set at the start of the Trading Day and updated periodically by Operator during the Trading Day.

5. Trading Rules

Orders

- 5.1 Authorised Persons may submit Orders onto the Order Book directly via the Order Book's Application Program Interface (API) or front end application, with all such Orders being governed by these Rules.
- 5.2 All Participant's Orders are pre-Trade anonymous other than as follows:
- 5.2.1 Member Participant can permission their Authorised Traders to view details of Orders submitted by other Authorised Traders of such Member Participant (as further detailed in the Schedule); and

~~5.2.2 Authorised Traders can permission Authorised Brokers or Broker Participant to view Orders and details of their Orders.~~

Order Size

- 5.3 Participants shall only submit Orders that conform to the minimum order size ("**Minimum Order Size**") for Eligible Instruments. Orders that do not conform to the Minimum Order Size cannot be submitted to the Order Book.
- 5.4 The Minimum Order Size limits for Eligible Instruments in the Products are set as follows:
- 5.4.1 For IRS, OIS and FRA Eligible Instruments denominated in Euro with:
- (a) a maturity of up to and including 2 years, approximately EUR 40m;

6. Contractual Position

- 6.1 All Orders shown on the Order Book are firm and available to be Matched.
- 6.2 At the point at which an Order (other than a Futures Cross Order) submitted by Member Participant or Broker Participant on behalf of a Member Participant is Matched, the relevant Member Participants have entered into a valid, legal and binding Trade.
- 6.3 At the point at which the Futures leg of a Futures Cross Orders is accepted by the relevant futures exchange, the relevant Member Participants have entered into a valid, legal and binding Trade.
- 6.4 The Futures Leg of any Futures Crosses shall also be governed by the International Uniform Give-Up Agreement in place between the Member Participant and [TP ICAP Europe SA](#).~~ICAP Securities Limited.~~