



ICAP Global Derivatives Limited
2 Broadgate
London
United Kingdom
EC2M 7UR

July 17, 2019

Submitted via the CFTC Portal

Secretary of the Commission
Office of the Secretariat
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: *ICAP Global Derivatives Limited – Regulation 40.6(a) Rule Certification – Notification of Amendments to IGDL Discount Structure Appendix (IGDL-2019-R-3)*

To Whom It May Concern:

Pursuant to Section 5c(c) of the Commodity Exchange Act, as amended (the “Act”), and Section 40.6(a) of the regulations of the U.S. Commodity Futures Trading Commission (the “Commission”), ICAP Global Derivatives Limited (“IGDL”), a registered swap execution facility, hereby notifies the Commission that it wishes to amend the IGDL SEF Discount Structure Appendix to its fee schedule (the “IGDL Discount Structure Appendix”) as described in Exhibit A. The amended IGDL Discount Structure Appendix will become effective on August 1, 2019.

Pursuant to Commission Regulation 40.6, this submission includes:

- (i) A concise explanation and analysis of the amended IGDL Discount Structure Appendix and its compliance with applicable provisions of the Act, attached as Exhibit A;
- (ii) A clean copy of the amended IGDL Discount Structure Appendix, attached as Exhibit B; and
- (iii) A copy of the amended IGDL Discount Structure Appendix marked to show changes to the version currently in effect (the “Marked IGDL Discount Structure Appendix”), attached as Exhibit C.

IGDL hereby certifies that (i) the amendment complies with the requirements of the Act and Commission regulations thereunder, and (ii) a notice and copy of this submission is being concurrently posted on IGDL’s website. IGDL is not aware of any substantive opposing views expressed with respect to this filing.

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Please contact Brian D. Donnelly, Chief Compliance Officer, at (201) 984-6956 or by email at bddonnelly@tullettprebon.com with any questions regarding this matter.

Very truly yours,

ICAP Global Derivatives Limited

By: 

Name: Christopher Koppenheffer

Title: Chief Operations Officer

Date: July 17, 2019

Enclosures

cc: CFTC Division of Market Oversight (dmosubmissions@cftc.gov)
Nancy Markowitz, CFTC (nmarkowitz@cftc.gov)

EXHIBIT A

Explanation of Amendments to IGDL Discount Structure Appendix

IGDL has amended the IGDL Discount Structure Appendix to make the following changes:

- Revised the brokerage discount for i-Swap from 70% of post 12:00 p.m. London voice rate to 0.0175 basis points.
- Added the eTrading Rebate Plan to reimburse the most active Participants based on monthly electronic trading activity.
- Provided that Participants who qualify for both the Streaming Discount and eTrading Rebate in any given month will receive only the greater of the two.
- Revised the requirements for Premium Streaming Tier and Base Streaming Tier in the respective tables.
- Revised the League Table Methodology for calculating the score for Premium Streaming Tier.
- Made certain non-substantive and conforming changes.

IGDL has reviewed the swap execution facility core principles (“Core Principles”) as set forth in the Act and has determined that each of the foregoing changes complies with the requirements of impartial access in Core Principle 2 and Commission Regulation 37.202 because all fees will be applied in an impartial, fair and non-discriminatory manner.

Secretary of the Commission
July 17, 2019

EXHIBIT B

Amended IGDL Discount Structure Appendix

IGDL SEF Discount Structure Appendix

August 2019

IGDL Discount Structure

Brokerage Discounts for i-Swap	
Brokerage Discounts	<ul style="list-style-type: none"> i-Swap rate is 0.0175 bp Trader-entered and Broker-entered transactions are eligible to offset i-Swap minimum fees

Brokerage Discounts for Voice		
Brokerage Discounts <i>(thresholds based off, and discounts applied to, gross voice execution brokerage in the current month)¹</i>	<u>Monthly Threshold</u>	<u>Discount</u>
	\$75,000 to \$149,999	5%
	\$150,000 to \$249,999	10%
	\$250,000 or Greater	20%

i-Swap Streaming Program		
Streaming Tiers and Discounts <i>(applied to gross voice execution brokerage in the following month)</i>	Premium Streaming Tier	
	<u>Rank</u>	<u>Discount</u>
	#1	15%
	#2	13%
	#3	12%
	Rest	10%
	Base Streaming Tier	
5% for Participants that qualify for Base Streaming Tier discounts		

eTrading Discounts		
eTrading Discounts <i>(applied to the current month's i-Swap brokerage)</i>	<ul style="list-style-type: none"> Applies to all i-Swap Participants, no monthly fee required Participants ranked based on billable DV01 volume Discounts applied to i-Swap brokerage up to \$25k 	
	<u>Rank</u>	<u>Discount</u>
	#1	100%
	#2	50%

¹ Applies to Fixed/Floating USD Interest Rate Swaps. Excludes FRA, OIS, and Single Clearing House Basis Swaps.

Key Notes: IGDL Discount Structure

For Brokerage Discounts on Voice:

1. Discounts are determined by combining New York and London gross voice execution brokerage and applied to activity during both London and New York hours as a rebate at the end of the month.
2. “Gross voice execution brokerage” means in respect of a Participant (i) brokerage accrued by the Participant for all transactions executed using Voice RFQ and (ii) all transaction fees accrued by the Participant for all transactions transacted using Broker-entered orders, including brokerage on Clearing House Basis Swaps transacted using Voice RFQ and transaction fees for Clearing House Basis Swaps transacted using Broker-entered orders.
3. Thresholds that determine the amount of the discount are calculated based on, and discounts are applied to, the gross voice execution brokerage accrued by a Participant for the current month.

For i-Swap fees (as described on the Trade Execution Fee Card tab of the IGDL SEF Fee Card):

1. Calculation of “Total Monthly Electronic Fees” for i-Swap are the greater of the following:
 - a. “Trader-entered” transaction fees plus “Broker-entered” transaction fees²; or
 - b. Minimum TPH i-Swap Front End User Minimum Fee³
2. The i-Swap invoice will reflect the Total Monthly Electronic Fees (as defined above) less any Broker-entered transaction fees and less any eligible eTrading Rebates.

For i-Swap streaming discounts and eTrading Discounts:

1. Participants who qualify for both the Streaming Discount and the eTrading Rebate on any given month will receive the greater of the two.

² Trader-entered and Broker-entered are defined on the “Notes” tab of the ICAP Global Derivatives Limited Trade Execution Fee Card. This calculation includes fees for Clearing House Basis Swaps.

³ See Minimum Fees on the Fees tab of the IGDL SEF Fee Card

eTrading Discount Plan

Summary

IGDL has introduced an eTrading Rebate Plan to reimburse the most active Participant by DV01 to the top 2 ranks.

Participants will receive periodic updates on their trading activity regarding their rank by dollar value of a one basis point change (“DV01”). At the end of the month, #1 ranked Participant by DV01 will be eligible to receive a full rebate of their electronic brokerage up to \$25,000 and #2 ranked Participant by DV01 each month will be eligible for a 50% rebate of their electronic brokerage up to \$25,000.

i-Swap Streaming Program

Summary

IGDL offers additional discounts that will be applied towards a Participant’s gross voice execution brokerage for a particular month based on a Participant’s streaming activity on i-Swap for Medium Term Interest Rate Swap instruments. IGDL offers two streaming tiers: Premium Streaming Tier and Base Streaming Tier. Participants can obtain discounts in the Base Streaming Tier by meeting the streaming requirements for the covered instruments set out below in the relevant table. Additionally, Participants are eligible to achieve greater discounts by meeting the requirements in the Premium Streaming Tier. Discount percentage for those that meet the Premium Streaming Tier requirements is based on the Participant’s final rank in the League Table. The League Table rankings are computed by IGDL using the below defined League Table Methodology.

Discount achieved in any given month in either the Premium Streaming Tier or Base Streaming Tier will be applied to the following month’s gross voice execution brokerage.

Streaming Tiers

Base Streaming Tier

Instruments	Semi-Bonds
	2y, 3y, 4y, 5y, 6y, 7y, 8y, 9y, 10y, 12y, 15y, 20y, 25y, 30y
	Spread-Overs
	2y, 3y, 4y, 5y, 6y, 7y, 8y, 9y, 10y, 12y, 15y, 20y, 30y
	Semi-Bond Curve
	2x5, 5x7, 5x10, 7x10, 10x12, 10x15, 10x20, 10x30
	Semi-Bond Butterflies
	2x3x4, 4x5x6, 5x6x7, 6x7x8, 7x8x9, 8x9x10
Total Instruments Required: 12	
Max B/O Spread: 1 bp	
% of Day Quoted: 40%	

Premium Streaming Tier

Instruments	Minimum Notional (mm)	Max B/O Spread
Semi-Bonds		
2y	150	0.5
3y	75	0.5
5y	50	0.5
10y	25	0.5
30y	10	0.5
Spread-Overs		
3y	75	0.625
5y	50	0.625
10y	25	0.625
30y	10	0.625
Semi-Bond Curve		
2 x 5	90	0.625
5 x 10	50	0.625
5 x 30	15	0.625
10 x 30	20	0.625
Semi-Bond Butterflies		
2 x 3 x 5	150	0.625
2 x 5 x 10	100	0.625
5 x 10 x 30	50	0.625
3 x 4 x 5	200	0.375
5 x 7 x 10	120	0.5
10 x 15 x 30	50	0.5
10 x 20 x 30	40	0.5
Risk Units Required:		12
% of Day Quoted:		60%

Premium Streaming Risk Units

To qualify for Premium streaming status, Participant must stream a minimum of 12 Risk Units. A Risk Unit is defined as follows:

- Minimum notional streamed at max bid/offer spread per instrument = 1 Risk Unit
Example:
 - 10mm 30yr sb = 1 Risk Unit
 - 20mm 30yr sb = 2 Risk Units
- Limit 3 Risk Units per instrument

- Participant can choose any 12 Risk Units to stream from the Premium Streaming Tier table above.

League Table Methodology

League Table rank in the Premium Streaming Tier is computed using Top of Book Points on a per instrument basis during the Calculation Time.

The score per instrument is computed as follows:

The Participant that qualifies for the Premium Streaming Tier with the highest percentage of day spent on Top of Book status will be awarded one point per bid or offer side, per instrument, per day.

Top of book points will be awarded on Premium Streaming Tier instruments only.

The Participant's final score is computed as the sum of their Top of Book Points each day and aggregated on a Month to Date basis. Each Participant is ranked on their computed final monthly total score.

Discount Tier Hours

Any discounts achieved will be applied to the rate in effect during the hours set forth in the following table. Base Streaming Tier and Premium Streaming Tiers will be calculated independently in each location using the following hours (*i.e.*, IGDL will calculate rankings for the 7:30 am London time to 7:00 am New York time period and rankings for the 7:00 am New York time to 5:00 pm New York time period).

Calculation Time	Applicable Rate Discounted
7:30am LDN to 7:00am NY	Before 12:00pm LDN Rate
7:00am NY to 5:00pm NY	After 12:00pm LDN Rate

Definitions

League Table	A table that ranks each Participant based on certain performance metrics
% of Day Quoted	Percentage of snapshots taken of streaming activity during the day in which each instrument is streamed within Max Bid/Offer Spread at stated Minimum Size (if applicable).

Secretary of the Commission
July 17, 2019

EXHIBIT C

Marked IGDL Discount Structure Appendix



IGDL SEF Discount Structure Appendix

~~23 April~~August 2019

IGDL Discount Structure

Brokerage Discounts for i-Swap	
Brokerage Discounts	<ul style="list-style-type: none"> Standard i-Swap rate is 70% of post 12pm London voice rate <u>0.0175 bp</u> Trader-entered and Broker-entered transactions are eligible to offset i-Swap minimum fees

Brokerage Discounts for Voice		
Brokerage Discounts (thresholds based off <u>£</u> and discounts applied to <u>£</u> gross voice execution brokerage in the current month) ¹	<u>Monthly Threshold</u>	<u>Discount</u>
	\$75,000 to \$149,999	5%
	\$150,000 to \$249,999	10%
	\$250,000 or Greater	20%

i-Swap Streaming Program		
Streaming Tiers and Discounts (applied to gross voice execution brokerage in <u>the</u> following month)	Premium <u>Streaming Tier</u>	
	<u>Rank</u>	<u>Discount</u>
	#1	15%
	#2	13%
	#3	12%
	Rest	10%
Base <u>Streaming Tier</u>		
5% for Base-Tier Qualifying Participants <u>that qualify for Base Streaming Tier discounts</u>		

¹ Applies to Fixed/Floating USD Interest Rate Swaps. Excludes FRA, OIS, and Single Clearing House Basis Swaps.

<u>eTrading Discounts</u> <u>(applied to the current month's i-Swap brokerage)</u>	<u>eTrading Discounts</u>					
	<ul style="list-style-type: none"> • <u>Applies to all i-Swap Participants, no monthly fee required</u> • <u>Participants ranked based on billable DV01 volume</u> • <u>Discounts applied to i-Swap brokerage up to \$25k</u> <table> <thead> <tr> <th><u>Rank</u></th> <th><u>Discount</u></th> </tr> </thead> <tbody> <tr> <td><u>#1</u></td> <td><u>100%</u></td> </tr> <tr> <td><u>#2</u></td> <td><u>50%</u></td> </tr> </tbody> </table>	<u>Rank</u>	<u>Discount</u>	<u>#1</u>	<u>100%</u>	<u>#2</u>
<u>Rank</u>	<u>Discount</u>					
<u>#1</u>	<u>100%</u>					
<u>#2</u>	<u>50%</u>					

Key Notes: IGDL Discount Structure

For Brokerage Discounts on Voice:

1. Discounts are determined by combining New York and London gross voice execution brokerage and applied to activity during both London and New York hours as a rebate at the end of the month.
2. "Gross voice execution brokerage" means in respect of a Participant (i) brokerage accrued by the Participant for all transactions executed using Voice RFQ and (ii) all transaction fees accrued by the Participant for all transactions transacted using Broker-entered orders, including brokerage on Clearing House Basis Swaps transacted using Voice RFQ and transaction fees for Clearing House Basis Swaps transacted using Broker-entered orders.
3. Thresholds that determine the amount of the discount are calculated based on, and discounts are applied to, the gross voice execution brokerage accrued by a Participant for the current month.

For i-Swap fees (as described on the Trade Execution Fee Card tab of the IGDL SEF Fee Card):

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 - a. "Trader-entered" transaction fees plus "Broker-entered" transaction fees²; or
 - b. Minimum TPH i-Swap Front End User Minimum Fee³

² Trader-entered and Broker-entered are defined on the "Notes" tab of the ICAP Global Derivatives Limited Trade Execution Fee Card. This calculation includes fees for Clearing House Basis Swaps.

³ See Minimum Fees on the Fees tab of the IGDL SEF Fee Card

2. The i-Swap invoice will reflect the Total Monthly Electronic Fees (as defined above) less any Broker-entered transaction fees and less any eligible eTrading Rebates.

For i-Swap streaming discounts and eTrading Discounts:

1. Participants who qualify for both the Streaming Discount and the eTrading Rebate on any given month will receive the greater of the two.

eTrading Discount Plan

Summary

IGDL has introduced an eTrading Rebate Plan to reimburse the most active Participant by DV01 to the top 2 ranks.

Participants will receive periodic updates on their trading activity regarding their rank by dollar value of a one basis point change ("DV01"). At the end of the month, #1 ranked Participant by DV01 will be eligible to receive a full rebate of their electronic brokerage up to \$25,000 and #2 ranked Participant by DV01 each month will be eligible for a 50% rebate of their electronic brokerage up to \$25,000.

i-Swap Streaming Program

Summary

IGDL offers additional discounts that will be applied towards a Participant's gross voice execution brokerage for a particular month based on a Participant's streaming activity on i-Swap for ~~LCH-cleared~~ Medium Term Interest Rate Swap instruments. IGDL offers two streaming tiers: Premium Streaming Tier and Base Streaming Tier. Participants can obtain discounts in the Base Streaming Tier by meeting the streaming requirements for the covered instruments set out below in the relevant table (~~such Participants, "Base Tier Qualifying Participants"~~). Additionally, Participants are eligible to achieve greater discounts by meeting the requirements in the Premium Streaming Tier. Discount percentage for those that meet the Premium Streaming Tier requirements is based on the Participant's final rank in the League Table. The League Table rankings are computed by IGDL using the below defined League Table Methodology.

Discount achieved in ~~any~~ given month in either the Premium Streaming Tier or Base Streaming Tier will be applied to the following month's gross voice execution brokerage.

Streaming Tiers

(Modified graphics)

Premium Streaming Tier

Instrument	Tenors	Total Instruments required	Tenors	Max Avg Spread (per instrument)	Min Instrumental	% of Day Quoted			
						Minimum (mm)	Maximum (per instrument)		
Spread-Overs	2, 3, 5, 7, 10, 12, 15, 20, 30	2y, 3y, 4y, 5y, 6y, 7y, 8y, 10y, 12y, 15y, 20y, 25y, 30y	2, 3, 5, 7, 10, 12, 15, 20, 30		0				
Semi-Bonds	2, 3, 5, 7, 10, 12, 15, 20, 30	10y, 12y, 15y, 20y, 25y, 30y	2, 3, 5, 7, 10, 12, 15, 20, 30	Semi-Bond	0				
Primary Semi-Bond Strategies	2x3, 2x5, 2x10, 5x7, 5x10, 5x30, 10x30	24	10x30, 2x3x5, 2x5x10, 5x10x30	0.8	2y, 3y, 5y	150	0.5		
Semi-Bond Strategies	2, 3, 5, 7, 10, 12, 15, 20, 30	24	3x4x5, 5x6x7, 5x7x10, 7x8x9, 8x9x10, 10x12x15, 10x15x20, 10x15x30, 10x20x30, 20x25x30	0.5	5y, 10y, 30y	75	0.5		
Spread-Overs	2x3, 2x5, 5x7, 5x10, 5x30, 10x30		2x3, 2x5, 5x7, 5x10, 5x30, 10x30		0				
Instruments	Semi-Bond Curve			Spread-Overs					
	2x5, 5x7, 5x10, 7x10, 10x12, 10x15, 10x20, 10x30			3y				75	0.625
	Semi-Bond Butterflies			5y				50	0.625
				10y				25	0.625
				30y				10	0.625
	Semi-Bond Curve			Semi-Bond Curve					
	2x3x4, 4x5x6, 5x6x7, 6x7x8, 7x8x9, 8x9x10			2 x 5				90	0.625
				5 x 10				50	0.625
				5 x 30				15	0.625
				10 x 30				20	0.625
			Semi-Bond Butterflies						
			2 x 3 x 5				150	0.625	
			2 x 5 x 10				100	0.625	
			5 x 10 x 30				50	0.625	
			3 x 4 x 5				200	0.375	
			5 x 7 x 10				120	0.5	
			10 x 15 x 30				50	0.5	
			10 x 20 x 30				40	0.5	
Total Instruments Required:			12						
Max B/O Spread:			1 bp						
% of Day Quoted:			40%						
			Risk Units Required:				12		
			% of Day Quoted:				60%		

Premium Streaming Risk Units

(Deleted)

Base Streaming Tier

Instrument set	Total Instruments required	Tenors	Max Avg Spread (per instrument)	Min # of Instruments	% of Day Quoted @ Max Spread (per instrument)
Spread-Overs	10	2, 3, 5, 7, 10, 12, 15, 20, 30	1	0	40%
Semi-Bonds		2, 3, 5, 7, 10, 12, 15, 20, 30	1	0	
Primary Semi-Bond Strategies		2x3, 2x5, 2x10, 5x7, 5x10, 5x30, 10x30, 2x3x5, 2x5x10, 5x10x30	1	0	

To qualify for Premium streaming status, Participant must stream a minimum of 12 Risk Units. A Risk Unit is defined as follows:

- Minimum notional streamed at max bid/offer spread per instrument = 1 Risk Unit
Example:
 - 10mm 30yr sb = 1 Risk Unit
 - 20mm 30yr sb = 2 Risk Units
- Limit 3 Risk Units per instrument
- Participant can choose any 12 Risk Units to stream from the Premium Streaming Tier table above.

League Table Methodology

League Table rank in the Premium Streaming Tier is computed using Top of Book Points on a per instrument basis during the Calculation Time.

The score per instrument is computed as follows:

The Participant that qualifies for the Premium Streaming Tier with the highest percentage of day spent on Top of Book status will be awarded one point per bid or offer side, per instrument, per day.

Top of book points will be awarded on Premium Streaming Tier instruments only.

The Participant's final score is computed as the sum of their Top of Book Points each day and aggregated on a Month to Date basis. Each Participant is ranked on their computed final monthly total score.

Discount Tier Hours

Any discounts achieved will be applied to the rate in effect during the hours set forth in the following table. Base [Streaming Tier](#) and Premium Streaming Tiers will be calculated independently in each location using the following hours (i.e., IGDL will calculate rankings for the 7:30 am ~~LDN~~[London time](#) to 7:00 am ~~NY~~[New York](#) time period and rankings for the 7:00 am ~~NY~~[New York time](#) to 5:00 pm ~~NY~~[New York](#) time period).

(Mod)

Calculation Time	Applicable Rate Discounted
7:30 am LDN to 7:00 am NY	Before 12:00 pm LDN Rate
7:00 am NY to 3:00 pm NY	After 12:00 pm LDN Rate
7:00am NY to 5:00pm NY	After 12:00pm LDN Rate

Definitions

(Mod)

League Table	A table that ranks each Participant based on certain performance metrics
Average Spread	Streaming League Table metric computed as the average Bid/Offer spread when a two-way quote is present during the given period. This is measured on a per instrument basis.
% of Day Quoted	Percentage of spreads taken of streaming activity during the day in which each instrument is streamed.
% of Day Quoted	Streaming League Table metric computed as the percentage of the measured period (the "Day") when the Participant quoted a Bid/Offer. This is measured on a per instrument basis.
Average Size	Streaming League Table metric computed as the average Bid/Offer size when at least one quote is present during the given period. This is measured on a per instrument basis.

League Table Methodology

League Table rank in the Premium Streaming Tier is computed using **Average Spread**, **% of Day Quoted** and **Average Size** metrics on a per instrument basis during the Calculation Time.

- The score per instrument is computed as follows:

$$\text{Instrument's Score} = -40\% * (\text{Average Spread}) + 35\% * (\% \text{ of Day Quoted}) + 25\% * (\text{Average Size})$$
- The Participant's final score is computed as the **average of all Instruments Scores**. Each Participant is ranked on their computed final score.