



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

August 10, 2022

**Submitted via CFTC Portal**

Mr. Christopher J. Kirkpatrick  
Office of the Secretariat  
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-2022-R-5)

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c) of the Commodity Exchange Act, as amended (the “Act”), and Section 40.6(a) of the regulations of the 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 more fully in the Exhibits attached hereto. The amended IGDL Discount Structure Appendix will become effective on August 24, 2022.

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 currently effective version, attached as Exhibit C.

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IGDL hereby certifies that the amendment complies with the requirements of the Act and Commission regulations thereunder. IGDL is not aware of any substantive opposing views expressed with respect to this filing and certifies that, concurrent with this filing, a copy of this submission was posted on IGDL's website.

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

Very truly yours,

ICAP Global Derivatives Limited

A handwritten signature in black ink, appearing to read 'Brian D. Donnelly', written over a horizontal line.

By: \_\_\_\_\_

Name: Brian D. Donnelly

Title: Chief Compliance Officer

Date: August 10, 2022

Enclosures

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

Mr. Christopher J. Kirkpatrick  
August 10, 2022

## **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 market maker discount and program incentives to apply to the following month's gross voice brokerage for the corresponding calculation period.
- Removed market maker discounts from being reflected in the total monthly electronic fees.
- Removed the "Key Notes" for i-Swap market maker discounts on IGDL voice brokerage invoices.
- Revised the market maker risk requirements.
- 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.

Mr. Christopher J. Kirkpatrick  
August 10, 2022

**EXHIBIT B**

IGDL Discount Structure Appendix

(Clean Version)

# IGDL SEF Discount Structure Appendix

August 2022

## IGDL Discount Structure

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

<b>Progressive Brokerage Discounts for Voice</b>		
<b>Brokerage Discounts</b> <i>(thresholds based off and discounts applied to gross voice execution brokerage in the current month)<sup>1</sup></i>	<b><u>Monthly Threshold</u></b>	<b><u>Discount</u></b>
	\$175,000 to \$249,999	5%
	\$250,000 to \$324,999	10%
	\$325,000 to \$399,999	25%
	\$400,000 or Greater	40%

<b>i-Swap Market Maker Program</b>		
<b>Market Maker Discount</b> <i>(applied to voice gross brokerage in following month)<sup>1</sup></i>	<ul style="list-style-type: none"> <li>Applies only to i-Swap Market Makers who qualify</li> <li>Market Makers ranked based on Top of Book status</li> </ul>	
	<b><u>Rank</u></b>	<b><u>Discount</u></b>
	#1	15%
	#2	13%
	#3	10%

## Key Notes: IGDL Discount Structure

### **For Volume Discounts on Voice Brokerage:**

- 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.
- “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

<sup>1</sup> Applies to all USD and CAD products listed on SEF Fee Card, when traded in-SEF with IGDL.

brokerage on Clearing House Basis Swaps transacted using Voice RFQ or 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. Voice volume discounts are progressive and apply to the amount accrued over the threshold of the respective tier reached.

**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 fees<sup>2</sup>; or
  - b. Minimum TPH i-Swap Front End User Minimum Fee<sup>3</sup>
2. The i-Swap invoice will reflect the Total Monthly Electronic Fees (as defined above) less any Broker-entered transaction fees.

## i-Swap Market Maker Program

### Summary

IGDL offers Market Maker incentives based on a participant’s streaming activity on i-Swap for Medium Term Interest Rate Swap instruments. Market Maker requirements are outlined in the table below, and incentives awarded are 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.

Market Makers must provide the Order Book with an Executable Price Stream for at least 60% of the Monitored Trading Day, averaged over each calendar month.

### Market Maker Program Incentives:

Market Makers who qualify for the Market Maker Program discount will be ranked according to the below League Table Methodology.

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<sup>2</sup> 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.

<sup>3</sup> See Minimum Fees on the Fees tab of the IGDL SEF Fee Card

The **number one** overall ranked Market Maker receives a **15%** discount on their following month's gross voice brokerage for the corresponding Calculation Period.

The **number two** overall ranked Market Maker receives a **13%** discount on their following month's gross voice brokerage for the corresponding Calculation Period.

The **number three** overall ranked Market Maker receives a **10%** discount on their following month's gross voice brokerage for the corresponding Calculation Period.

## Market Maker Risk Requirements

Tenor/ Strategy	Minimum Size (mm):	Max B/O: SOFR OIS Outrights	Max B/O: SOFR OIS Spreadovers
2y	200	0.625 bps	0.625 bps
3y	100	0.625 bps	0.625 bps
5y	50	0.625 bps	0.625 bps
7y	30	0.75 bps	0.625 bps
10y	25	0.75 bps	0.625 bps
30y	10	0.75 bps	0.625 bps
5x10	50	0.625 bps	0.75 bps
5x30	15	0.625 bps	0.75 bps
10x30	20	0.625 bps	0.75 bps
2x5x10	100	0.75 bps	0.75 bps
5x7x10	100	0.625 bps	0.625 bps
5x10x30	50	0.625 bps	0.625 bps

<b>Risk Units Required:</b>	<b>8</b>
<b>% of Day Quoted:</b>	<b>60%</b>

## Market Maker Risk Units

To qualify for Market Maker status, participant must stream a minimum of 8 Risk Units. A Risk Unit is defined as follows:

- Minimum notional streamed at max bid/offer spread per instrument = 1 Risk Unit. 2x minimum notional = 2 risk units, etc.

Example:

- 10mm 30yr spreadover = 1 Risk Unit
- 100mm 5yr outright = 2 Risk Units
- Limit 3 Risk Units per Instrument
- Participant can choose any 8 Risk Units to stream from Market Maker table above.



## League Table Methodology

League Table rank in the Market Maker Program is computed using Top of Book Points on a per instrument basis during the Calculation Period.

The score per instrument is computed as follows:

**Market Maker with highest percentage of day spent on Top of Book status awarded one point per bid or offer side, per instrument, per day.**

Top of Book Points will be awarded on instruments listed in the above table only.

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

## Calculation Period

Any discounts achieved will be applied to the rate in effect during the hours set forth in the following table. Market Maker ranking will be calculated independently in each location using the following hours (*i.e.*, IGDL will calculate rankings for the 7:30 am LDN to 7:00 am NY time period and rankings for the 7:00 am NY to 5:00 pm NY time period).

Calculation Day	Calculation Time
London Hours	7:30am LDN to 7:00am NY
New York Hours	7:00am NY to 5:00pm NY

## Definitions

<b>League Table</b>	A table that ranks each Participant based on certain performance metrics
<b>% of Day Quoted</b>	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).

Mr. Christopher J. Kirkpatrick  
August 10, 2022

**EXHIBIT C**

IGDL Discount Structure Appendix

(Marked Version)

# IGDL SEF Discount Structure Appendix

July August 2022

## IGDL Discount Structure

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

<b>Progressive Brokerage Discounts for Voice</b>		
<b>Brokerage Discounts</b> <i>(thresholds based off and discounts applied to gross voice execution brokerage in the current month)<sup>1</sup></i>	<u>Monthly Threshold</u>	<u>Discount</u>
	\$175,000 to \$249,999	5%
	\$250,000 to \$324,999	10%
	\$325,000 to \$399,999	25%
	\$400,000 or Greater	40%

<b>i-Swap Market Maker Program</b>		
<b>Market Maker Discount</b> <i>(applied to <del>current month's</del>voice gross <del>brokerage in</del> voice execution following month)<sup>1</sup> <del>brokerage</del><sup>2</sup></i>	<ul style="list-style-type: none"> <li>• Applies only to i-Swap Market Makers who qualify</li> <li>• Market Makers ranked based on Top of Book status</li> </ul>	
	<u>Rank</u>	<u>Discount</u>
	#1	15%
	#2	13%
	#3	10%

## Key Notes: IGDL Discount Structure

### For Volume Discounts on Voice Brokerage:

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

<sup>1</sup> Applies to all USD and CAD products listed on SEF Fee Card, when traded in-SEF with IGDL.

by the participant for all transactions transacted using Broker-entered orders, including brokerage on Clearing House Basis Swaps transacted using Voice RFQ or 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. Voice volume discounts are progressive and apply to the amount accrued over the threshold of the respective tier reached.

**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 fees<sup>2</sup>; or
  - b. Minimum TPH i-Swap Front End User Minimum Fee<sup>3</sup>
2. The i-Swap invoice will reflect the Total Monthly Electronic Fees (as defined above) less any Broker-entered transaction fees ~~and Market Maker discounts~~.

**For i-Swap Market Maker Discounts on IGDL Voice Brokerage Invoice:**

- ~~1. Discounts are applied to only to the gross voice execution brokerage accrued in the corresponding Calculation Period—ie, Market Making in NY Hours will count towards discounts on voice trades executed after 7am EST.~~

## i-Swap Market Maker Program

### Summary

IGDL offers Market Maker incentives based on a participant’s streaming activity on i-Swap for Medium Term Interest Rate Swap instruments. Market Maker requirements are outlined in the table below, and incentives awarded are 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.

Market Makers must provide the Order Book with an Executable Price Stream for at least 60% of the Monitored Trading Day, averaged over each calendar month.

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## Market Maker Program Incentives:

Market Makers who qualify for the Market Maker Program discount will be ranked according to the below League Table Methodology.

The **number one** overall ranked Market Maker receives a **15%** discount on their [following month's](#) gross voice brokerage for the corresponding Calculation Period.

The **number two** overall ranked Market Maker receives a **13%** discount on their [following month's](#) gross voice brokerage for the corresponding Calculation Period.

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## Market Maker Risk Requirements

Tenor Strategy	Minimum Size (mm):	Max B/O: SOFR OIS Outrights	Max B/O: SOFR OIS Spreadovers
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<a href="#">5x10</a>	<a href="#">50</a>	<a href="#">0.625 bps</a>	<a href="#">0.75 bps</a>
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