

September 17, 2014

Submitted via email

Division of Market Oversight
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581
via email: submissions@cftc.gov; dmosubmissions@cftc.gov

Re: ICAP Global Derivatives Limited – Rule Amendments – Amended Market Maker Program Rulebook

Ladies and Gentlemen:

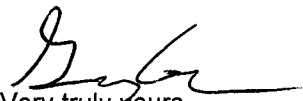
Pursuant to Section 5c(c) of the Commodity Exchange Act (the “Act”) and Section 40.6(a) of the regulations of the Commodity Futures Trading Commission (the “Commission”), ICAP Global Derivatives Limited (“IGDL” or the “SEF”) hereby notifies the Commission that it has amended its Market Maker Program Rulebook (the “Rulebook”), specifically Schedule 2. The Rulebook has been amended as a result of changes in the applicable criteria for market making incentives.

A concise explanation and analysis of the amendments to the Rulebook and their compliance with applicable provisions of the Act and the Commission’s regulations thereunder is attached hereto as Exhibit A. A clean copy of the amended Rulebook is attached hereto as Exhibit B, and a copy of the Rulebook marked to show changes against the version submitted to the Commission in IGDL-2014-R-2 is attached hereto as Exhibit C.

The amendments will become effective on October 2, 2014. IGDL certifies that the amendments comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder. IGDL has reviewed the swap execution facility core principles (“Core Principles”) as set forth in the Commodity Exchange Act and has determined that the amendments impact the Core Principles identified in Exhibit A.

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 the IGDL website and may be accessed at: www.icap.com/what-we-do/global-broking/sef.aspx.

Please contact the undersigned at (212) 341-9193 with any questions regarding this matter.



Very truly yours,

Gregory Compa
Chief Compliance Officer

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

Exhibit A*Explanation and Analysis*

The amendments to Schedule 2 are consistent with Core Principle 2. In compliance with Core Principle 2 and Commission Regulation 37.200, the amendments to the Program do not violate the principle of impartial access and do not incentivize manipulative trading or market abuse or impact IGDL's ability to perform its trade practice and market surveillance obligations under the Commodity Exchange Act ("CEA"), and IGDL's Market Regulation staff will monitor trading in the Program's products to prevent manipulative trading and market abuse.



EXHIBIT B

ICAP Global Derivatives Limited Market Maker Program Rulebook

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1 **Definitions and Interpretation**

API	An application programming interface
Discount	As defined in Rule 7.1.
Executable Price Stream	In relation to any Program Instrument, a simultaneous or near-simultaneous consistent automated submission of a Bid(s) and an Offer(s) for the same potential transaction, which: (a) is updated on a real-time or near-real-time basis; and (b) is submitted through an API.
Market Maker	A Trading Privilege Holder admitted to the Program by IGDL under Rule 3.1, having executed a Program Acceptance Letter.
Facility Rulebook	The facility rulebook governing the operation of the Facility in force from time to time and any amendment made thereto.
Program	The market maker program established by and in accordance with these Program Rules.
Program Acceptance Letter	A letter confirming acceptance of the Program Rules in the form set out in schedule 1.
Program Eligibility Criteria	The criteria for eligibility for participation in the Program as set out in this Program Rulebook.
Program Instrument	An instrument available to trade on the Facility that is subject to the Program in accordance with this Program Rulebook.
Program Rulebook	The Program Rules governing the operation of the Facility Market Maker Program in force from time to time and any amendment made thereto.
Program Rules	The rules set out in this IGDL Market Maker Program Rulebook as may be amended from time to time.
Qualifying Market Maker	As defined in Rule 7.1.
Term	As defined in Rule 8.1.

All capitalised terms not otherwise defined in this Program Rulebook shall have the meaning ascribed to them in the Facility Rulebook. In this Program Rulebook, words in the singular

include the plural and vice versa. A reference to persons in this Program Rulebook shall include a reference to legal persons and natural persons as the context requires. Headings are for ease of reference only and do not form part of the Program Rulebook. Reference to statutory provisions shall include any amendment, modification or re-enactment or re-making thereof.

2 General

2.1 The Program is a market maker program established by these Program Rules to encourage liquidity in the trading of the Program Instruments on the Facility.

2.2 These Program Rules supplement and form part of the Facility Rulebook and the IGDL Trading Privilege Holder Agreement. In the event of conflict between the IGDL Trading Privilege Holder Agreement, the Facility Rulebook and these Program Rules the following order of precedence shall apply to the extent of any inconsistency: 1. the Facility Rulebook, 2. these Program Rules and 3. the IGDL Trading Privilege Holder Agreement.

3 Program participation

3.1 Trading Privilege Holders may at any time apply to participate in the Program by signing a Program Acceptance Letter.

3.2 Participation is open to a Trading Privilege Holder who meets the Program Eligibility Criteria and who commits to these Program Rules and any guidance or other requirements of IGDL.

3.3 IGDL may require a Market Maker to demonstrate that the Program Eligibility Criteria are met.

3.4 IGDL shall notify each Trading Privilege Holder that applies to participate in the Program in writing (including by email) of whether its application to become a Market Maker has been successful within one (1) week of receipt of the Program Acceptance Letter.

4 Eligibility

4.1 Market Maker shall meet and shall continue to meet all of the following Program Eligibility Criteria throughout its participation in the Program:

- a. Has been granted and retains Trading Privileges of the Facility pursuant to Rule 201 (a) (1) (i) of the Facility Rulebook only. For the avoidance of doubt, a Trading Privilege Holder granted Trading Privileges pursuant to any other subsection of Rule 201 of the Facility Rulebook shall not be eligible to participate in the Program, including Trading Privileges granted to Intermediaries; and
- b. Has API capability which would allow it to connect to the Facility to provide an Executable Price Stream in the Program Instruments.

5 Program Instruments

5.1 The initial Program Instruments will be:

Program Instrument	Tenors (years)
USD Spread Over Treasuries Swaps	2, 3, 5, 7, 10, 30
USD Semi – Bond Swaps	2, 3, 5, 7, 10, 30
USD Semi-Bond Spreads	2vs5, 5vs10, 10vs30
USD Semi-Bond Butterflies (1yr gaps)	5-6-7, 7-8-9, 8-9-10
USD Semi-Bond Butterflies (wider gaps)	2-5-10, 5-7-10, 10-20-30

5.2 Program Instruments will be added or deleted at IGDL's discretion.

6 Market Maker Criteria

6.1 Each of the Market Makers agrees that for the Term of the Program:

- a. it shall ensure compliance with the Facility Rulebook and the Program Rulebook; and
- b. it shall provide the Facility with an Executable Price Stream for each Program Instrument in accordance with the criteria set out in Schedule 2.

7 Program Benefits

7.1 If IGDL determines, in its sole discretion, that a Market Maker has complied with the criteria in Rule 6 above in any given month (a "**Qualifying Market Maker**"), such Qualifying Market Maker will be entitled to receive a monthly brokerage discount which shall be calculated in accordance with the following (a "**Discount**"):

- a. A Discount of 50% shall apply to all electronic brokerage fees owed by a Qualifying Market Maker to IGDL in respect of the Program Instruments if the Tier 1 Market Making criteria set out in section (a) of Schedule 2 are satisfied;
- b. A Discount of 30% shall apply to all electronic brokerage fees owed by a Qualifying Market Maker to IGDL in respect of the Program Instruments if the Tier 2 Market Making criteria set out in section (b) of Schedule 2 are satisfied; and
- c. A Discount of 15% shall apply to all electronic brokerage fees owed by a

Qualifying Market Maker to IGDL in respect of the Program Instruments if the Tier 3 Market Making criteria set out in section (c) of Schedule 2 are satisfied.

7.2 For the avoidance of doubt, voice assisted service fees owed by a Qualifying Market Maker to IGDL shall not be eligible for any Discount in accordance with Rule 7.1.

7.3 During periods of market volatility, IGDL may declare, in its sole discretion, that the qualifying Bid/Offer spread set out in each section of Schedule 2 may be one price step wider than listed and IGDL shall notify Market Makers of this by issuing a notice in accordance with the Facility Rulebook in respect of the Program Instruments traded on the Trading Platform known as 'iSwap'.

7.4 Any Discount due to a Qualifying Market Maker pursuant to Rule 7.1 shall be credited to the account of such Qualifying Market Maker and deducted from any electronic brokerage fees owed to IGDL by the Qualifying Market Maker in the following calendar month. No Discount may be rolled over a further calendar month.

8 Commencement and Term

8.1 Except as set out in Program Rules 9, 10 and 11, the Program shall commence on the date of issue of this Program and shall continue for 18 months (the "Term").

9 Suspension or Termination of Program Participation

9.1 IGDL may at its absolute discretion and without liability suspend or terminate the participation of a Market Maker in the Program if, at any time:

- a. Market Maker's Trading Privileges have been restricted, suspended or terminated in accordance with the Facility Rulebook; or
- b. Market Maker ceases to meet the Program Eligibility Criteria; or
- c. IGDL determines in its absolute discretion that the Program Instruments will no longer be available for trading on the Facility.

9.2 IGDL will notify Market Maker of a decision to restrict, suspend or terminate its Participation.

10 Resignation

10.1 Where a Market Maker has given notice of its intent to withdraw as a Trading Privilege Holder on the Facility in accordance with the Facility Rulebook, its participation in the Program will automatically terminate on the date that the resignation is effective.

11 Consequences of Termination or Suspension

11.1 If a Market Maker's participation is terminated or suspended under Program Rules 8, 9 or 10, Market Maker will not benefit from the Discount set out in Rule 7, unless and until such time as IGDL reinstates Market Maker's participation in the Program.

12 **Taxes and Fees**

12.1 Market Makers are liable for the payment of any applicable taxes, fees, duties, or levies that arise in connection with the trading of Program Instruments on the Facility.

13 **Amendments and Notices**

13.1 IGDL may, in its absolute discretion, at any time supplement or implement new Program Rules or amend existing Program Rules in whole or in part by issuing a notice in accordance with Rule 209 of the Facility Rulebook in respect of the Program Instruments traded on the Trading Platform known as 'iSwap'.

13.2 Such changes will be effective at such time as specified. Unless otherwise required by a Regulatory Authority or by applicable law, any such change shall not apply retrospectively.

13.3 If the change to the Program Rules is:

- a. material, IGDL will give Market Makers reasonable notice before such change comes into effect; or
- b. non-material, IGDL may make such change without issuing notice in advance of the change to Market Makers.

14 **Governing Law**

14.1 The Program Rules will be construed in accordance with and governed by the laws of England and Wales. The parties hereby submit to the exclusive jurisdiction of the Courts of England and Wales in relation to any legal action or proceeding arising out of or in connection with these Rules.

SCHEDULE 1

Program Acceptance Letter

A Trading Privilege Holder wishing to apply to participate in the IGDL Market Maker Program, as supplemented or reissued from time to time, should complete and execute this Program Acceptance Letter.

Trading Privilege Holder Information:

Company Name:	
Registered Office:	

This Program Acceptance Letter is supplemental to and forms part of the Program Rulebook, the Facility Rulebook and the Trading Privilege Holder Agreement.

By executing this Program Acceptance Letter, the Trading Privilege Holder:

- (i) confirms that it meets all of the Program Eligibility Criteria and that it will promptly notify IGDL if it ceases to meet any of the Program Eligibility Criteria;
- (ii) agrees to comply with the requirements of the Program, as set out in the Program Rules;
- (ii) agrees that IGDL may supplement or implement new Program Rules or amend existing Program Rules; and
- (iii) accepts that IGDL will monitor the Trading Privilege Holder's and its Authorised Trader's activities under the Program and may determine that the Trading Privilege Holder has not complied with its obligations under the Program. If such determination is made, the Trading Privilege Holder acknowledges that IGDL may suspend or terminate the Trading Privilege Holder's participation in the Program.

All terms defined in this Program Acceptance Letter will have the meanings ascribed to them in the Program Rulebook. In the event of any conflict between this Program Acceptance Letter, the Program Rulebook, the Facility Rulebook and the Trading Privilege Holder Agreement, the following order of precedence shall apply to the extent of any inconsistency: 1. the Facility Rulebook, 2. the Program Rulebook and 3. the Trading Privilege Holder Agreement.

Please return a signed copy of this Program Acceptance letter to SefOn-boarding@icap.com or ICAP Global Derivatives Limited, 2 Broadgate, EC2M 7UR.



Duly authorised for and on behalf of the Trading Privilege Holder:

By:

Signature:

Title:

Date:



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Duly authorised for and on behalf of the Trading Privilege Holder:

By:

Signature:

Title:

Date: