

October 16, 2014

**Notice to All Participants of TW SEF LLC:
Block Trade Treatment for Package Transactions**

On June 5, 2014, following discussions with the CFTC Division of Market Oversight (“DMO”), TW SEF LLC (“TW SEF”) advised all Participants that for a Package Transaction to be entitled to Block Trade treatment, only the MAT swap component(s) of the relevant Package had to meet or exceed applicable block level, as defined in CFTC Regulation 43.2. DMO recently revisited the topic and has clarified its position, and has requested that TW SEF communicate that advice to its Participants. Therefore, as an update to our earlier Notice and subject to the No-Action Letter No. 14-118 (September 19, 2014) described more fully below, please note that **all swap legs** (MAT, non-MAT, cleared or uncleared) of a Package Transaction must be block size for the Package to qualify for Block Trade execution protocols and Block Trade public reporting delays.

However, DMO has further advised that Package Transactions that consist of a MAT swap of block size and a non-MAT swap below block size may be transacted in accordance with CFTC No-Action Letter No. 14-118 (and therefore do not necessarily need to be transacted pursuant to the execution protocols for Required Transactions).

Specifically, the No-Action Letter provides time-limited relief through December 15, 2015, for SEFs from the requirement that a Block Trade must “[o]ccur[] away from the registered [SEF’s] or [DCM’s] trading system or platform.” Accordingly, Participants of TW SEF may use request-for-quote (“RFQ”) functionality (to one or more RFQ recipients) to facilitate the execution of Block Trades for swaps that are intended to be cleared. In addition, per DMO’s guidance, this same relief is available for Package Transactions where one swap component is a MAT swap above block size and the other swap component is not subject to the trade execution requirements (i.e., a non-MAT swap) of any size.

For additional information, please see CFTC No-Action Letter 14-118 (September 19, 2014) at <http://www.cftc.gov/ucm/groups/public/@llettergeneral/documents/letter/14-118.pdf>, or contact your TW SEF representative or our client services team at help@tradeweb.com.