



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

December 18, 2020

**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-2020-R-10)

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” or “CFTC”), 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 January 2, 2021.

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.

Mr. Christopher J. Kirkpatrick  
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IGDL hereby certifies that the amendments comply 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

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

Name: Brian D. Donnelly

Title: Chief Compliance Officer

Date: December 18, 2020

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  
December 18, 2020

## **EXHIBIT A**

### Explanation of Amendments to IGDL Discount Structure Appendix

IGDL has amended the IGDL Discount Structure Appendix to provide (i) that the discount will be applied within the month the streaming targets are met (vs. applied to the following month); and (ii) clarify that there is only one type of brokerage that could be generated by removing the word “execution”.

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  
December 18, 2020

**EXHIBIT B**

IGDL Discount Structure Appendix

(Clean Version)

# IGDL SEF Discount Structure Appendix

January 2021

## 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>Brokerage Discounts for Voice</b>  |                          |                 |
|---|--------------------------|-----------------|
| <b>Brokerage Discounts</b><br><i>(thresholds based off and discounts applied to gross voice brokerage in the current month)<sup>1</sup></i> | <b>Monthly Threshold</b> | <b>Discount</b> |
|   | \$75,000 to \$149,999    | 5%              |
|   | \$150,000 to \$249,999   | 10%             |
|   | \$250,000 to \$399,999   | 20%             |
|   | \$400,000 or Greater     | 35%             |

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

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

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

<sup>2</sup> Applies to participants with i-Swap invoice and includes Broker-entered trades.

## Key Notes: IGDL Discount Structure

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

1. Discounts are determined by combining New York and London gross voice brokerage and applied to activity during both London and New York hours as a rebate at the end of the month.
2. “Gross voice 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 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 fees<sup>3</sup>; or
  - b. Minimum TPH i-Swap Front End User Minimum Fee<sup>4</sup>
2. The i-Swap invoice will reflect the Total Monthly Electronic Fees (as defined above) less any Broker-entered transaction fees.

### **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.

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<sup>3</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>4</sup> 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 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 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 current month's gross voice brokerage.



## Streaming Tiers

### Base Streaming Tier

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

### Premium Streaming Tier

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

### 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 Premium table above.

## Base Streaming Risk Units

To qualify for Base Streaming status, participant must stream a minimum of 12 Risk Units from the Base table at i-Swap's minimum order entry size and at the max bid/offer spread of 1 bp.

## 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:

**Premium streamer 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 Premium 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 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 to 7:00 am NY time period and rankings for the 7:00 am NY to 5:00 pm NY 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

|                        |   |
|------------------------|---|
| <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  
December 18, 2020

**EXHIBIT C**

IGDL Discount Structure Appendix

(Marked Version)

# IGDL SEF Discount Structure Appendix

~~July 2020~~ January 2021

## IGDL Discount Structure

| Brokerage Discounts for i-Swap |   |
|--------------------------------|---|
| <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> |

| Brokerage Discounts for Voice  |                          |                 |
|--|--------------------------|-----------------|
| <b>Brokerage Discounts</b><br><i>(thresholds based off and discounts applied to gross voice <del>execution</del> brokerage in the current month)<sup>1</sup></i> | <b>Monthly Threshold</b> | <b>Discount</b> |
|  | \$75,000 to \$149,999    | 5%              |
|  | \$150,000 to \$249,999   | 10%             |
|  | \$250,000 to \$399,999   | 20%             |
|  | \$400,000 or Greater     | 35%             |

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

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

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

<sup>2</sup> [Applies to participants with i-Swap invoice and includes Broker-entered trades.](#)

## 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 fees<sup>23</sup>; or
  - b. Minimum TPH i-Swap Front End User Minimum Fee<sup>34</sup>
2. The i-Swap invoice will reflect the Total Monthly Electronic Fees (as defined above) less any Broker-entered transaction fees.

### **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.

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<sup>23</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>34</sup> 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 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

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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~~current month's gross voice ~~execution~~-brokerage.

## Streaming Tiers

### Base Streaming Tier

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

### Premium Streaming Tier

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

### 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 Premium table above.



## Base Streaming Risk Units

To qualify for Base Streaming status, participant must stream a minimum of 12 Risk Units from the Base table at i-Swap's minimum order entry size and at the max bid/offer spread of 1 bp.

## 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:

**Premium streamer 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 Premium 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 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 to 7:00 am NY time period and rankings for the 7:00 am NY to 5:00 pm NY 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

|                        |   |
|------------------------|---|
| <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). |

