

NOTICE OF LISTING OF PRODUCT BY ICAP SEF (US) LLC FOR TRADING BY CERTIFICATION

1. This submission is made pursuant to CFTC Reg. 40.2 by ICAP SEF (US) LLC (the “SEF”).
2. The product certified by this submission is the following Commodities Product: Options of White Sugar Agricultural Swaps (the “Option”). This submission also describes White Sugar Agricultural Swaps (the “Contract”), which is being certified separately.
3. Attached as Attachment A is a copy of the Contract’s rules and attached as Attachment B is a copy of the Option’s rules.
4. The product specifications for the SEF’s Agricultural Swaps and Options other than the Contract and Option submitted in this filing were last certified in filing ICAP-2014-P-2. This submission amends the product specifications for the SEF’s Agricultural Swaps and Options only by adding a new underlying asset of White Sugar (ICE London) and the related Contract Size. Accordingly, while this is a certification for a new product pursuant to CFTC Reg. 40.2(a), no other terms and conditions of the SEF’s Agricultural Swaps and Options are being amended by this filing. The product specifications set forth in Attachments A and B also reflect the addition of new products that are being submitted concurrently with this submission. The SEF intends to make this certification of effective on December 15, pursuant to CFTC Reg. 40.2(a)(2).
5. Attached as Attachment C is a certification from the SEF that the product described in this submission complies with the Commodity Exchange Act and CFTC Regulations, and that the SEF has posted a notice of pending product certification and a copy of this submission on its website concurrent with the filing of this submission with the Commission.
6. As required by Commission Regulation 40.2(a), the following concise explanation and analysis demonstrates that the product complies with the core principles of the Commodity Exchange Act for swap execution facilities, and in particular Core Principle 3, which provides that a swap execution facility shall permit trading only in swaps that are not readily susceptible to manipulation, in accordance with the applicable guidelines in Appendix C to Part 38 of the Commission’s Regulations for contracts settled by cash settlement and options thereon.

The Contract

The Contract is a cash-settled swap that allows a party to speculate on, or hedge risks associated with, the price of one of the previously certified underlying agricultural commodity products set forth in Attachment A. This certification adds the following underlying agricultural commodity product to the product specifications: White Sugar (ICE London) (the “Underlying Commodity”). The counterparties to the Contract exchange a fixed price on the Underlying Commodity and a floating price based on the corresponding futures contract for the Underlying Commodity. The Contract has several flexible terms, including: Underlying Commodity, Contract Size, Minimum Price Fluctuation, Fixed Settlement Price, Effective Date that the Contract commences (which must be a business day), Maturity Date (also referred to as the End Date or Termination Date), Tenor, Trade Types (outright or spread/switch), and Payment Frequency. The Maturity Date may be any date chosen by the parties prior to the Expiration Date for the corresponding futures contract, and a Contract may mature on the basis of a spot month or deferred month futures contract. Counterparties may also choose whether the floating price will be the price of the corresponding futures contract on a specified date or the average price during the tenor of the Contract. All of the essential terms of the Contract, other than the floating price, are agreed at the Effective Date. Following is an explanation of why the Contract is not readily susceptible to manipulation in accordance with section (c) of Appendix C to Part 38.

Appendix C to Part 38—Demonstration of Compliance That a Contract is Not Readily Susceptible to Manipulation

Section (c) Contracts Settled by Cash Settlement

- (1) Calculation of Cash Settlement Price. One leg of the Contract will pay a fixed price for the Underlying Commodity that is established at the Effective Date and which will remain unchanged throughout the life of the Contract. The other leg of the Contract will pay a floating price that is based on the price of the corresponding futures contract at the specified Maturity Date, or alternatively the average price of a series (or a strip) of predefined fixings over the life of the contract. The price of the relevant futures contract is published by ICE Futures Europe (the “Exchange”) and is reliable, widely accepted and publicly available. On the Maturity Date, the counterparties will calculate the difference between the fixed price and the floating price and exchange a final settlement payment.
- (2) Contract Not Readily Susceptible to Manipulation. The Contract is not readily susceptible to manipulation for a number of reasons. As noted above, all of the essential terms of the Contract, other than the floating price, are agreed to at the Effective Date of the Contract, thereby reducing the impact of potentially unrepresentative data. The floating price itself is based on a well-known futures contract whose price is published by the Exchange. The size and liquidity of the market in the corresponding futures contract is well documented. It is closely followed by market participants, has a high volume of cash market transactions and a high number of market participants trading in the cash market, which make the futures contract unlikely to be the subject of an attempt to manipulate the price upon which the Contract’s cash settlement price is calculated. Accordingly, the Contract is not easily susceptible to manipulation or price distortion because the method of determining the cash settlement price is based on terms that are fixed at the Effective Date of the Contract and a reliable floating price.
- (3) Independent Third-Party Pricing of the Underlying Commodity. The price of the futures contract upon which the floating price leg of the Contract is based is published by the Exchange and is publicly available on the Exchange’s website, thereby making an information sharing or licensing agreement unnecessary. Furthermore, the closing price of the futures contract is set by market transactions on an exchange operated by an independent, private-sector third-party, namely the Exchange, which has a financial incentive to protect the market’s faith in the pricing of the futures contract. The SEF believes that the Exchange is impartial, employs appropriate safeguards against

manipulation to protect the value of the futures contract to the market place and the Exchange, and uses business practices that minimize the opportunity or incentive to manipulate the pricing of the futures contract associated with the Contract's cash settlement price. The settlement price of the futures contract is publicly available on a timely basis for the purposes of calculating the Contract's cash settlement price. The settlement price for the futures contract is established by the Exchange on an objective basis. See Exchange Rule IIII (White Sugar).¹ The SEF will monitor its own market and will publish or report information to the Exchange that may be useful to the Exchange in monitoring its market for the relevant futures contract. To the extent that the SEF's Market Regulation Department determines that there is reason to suspect manipulation or attempted manipulation with respect to the Contract that involves the underlying futures contract, it will so inform the Exchange and will seek to share information with the Exchange as necessary to investigate the potential manipulation or attempted manipulation.

(4) Contract Terms and Conditions. The essential terms and conditions of the Contract are attached as Attachment A.

- **Commodity Characteristics.** The Underlying Commodity is listed in the terms and conditions.
- **Contract Size and Trading Unit.** The size of the Contract is consistent with customary transactions in each relevant futures market.
- **Cash Settlement Procedure.** The cash settlement procedures and an explanation of how the Contract is not readily susceptible to manipulation are described above.
- **Pricing Basis and Minimum Price Fluctuation.** The minimum price increment is set at \$0.01 per Contract.
- **Maximum Price Fluctuation Limits.** The maximum price fluctuation limit is agreed to between the parties.
- **Last Trading Day.** The last trading day for a Contract is the last business day of each Contract month.
- **Trading Months.** The maturity date of the Contract is agreed to between the parties and based on their risk management needs. The maturity date may be in any calendar month.
- **Speculative Limits.** None are currently required by the Commission. If and to the extent the Commission imposes speculative limits on the Contract, the limits imposed by the SEF will be the same.
- **Reportable Levels.** None are currently required by the Commission. If and to the extent the Commission imposes a reporting requirement based on reportable levels of the Contract imposed by the Commission, the reportable levels imposed by the SEF will be the same.
- **Trading Hours.** Trading hours are 07:00 – 16:00 (ET) Monday to Friday.

* * *

In addition to the foregoing, the SEF has adopted rules in its Rulebook prohibiting any Participant or Customer from engaging in manipulative trading activity and the SEF is required to, and will, monitor all trading on the SEF in order to identify any such manipulative activity. The SEF has authority to impose on its Participants and Customers fines and disciplinary sanctions in the event that such manipulative activity has occurred.

¹ See https://www.theice.com/publicdocs/contractregs/103_SECTION_IIII.pdf.

The Option

The Option is a cash-settled option based on the settlement price of the corresponding Contract, as described above. Following is an explanation of why the Option is not readily susceptible to manipulation in accordance with section (d) of Appendix C to Part 38.

Appendix C to Part 38—Demonstration of Compliance That a Contract is Not Readily Susceptible to Manipulation

Section (d) Options on a Contract

- (1) Option Terms and Conditions. The essential terms and conditions of the Option are attached as Attachment B and closely adhere to market practices for the underlying futures contract, making manipulation very difficult to achieve.
 - **Exercise Method**. The Option is cash settled based on the settlement price of the corresponding Contract.
 - **Exercise Procedure**. The Option's style may be Asian or European, as agreed by the parties.
 - **Strike Price Listing**. Strike prices are quoted in dollars and cents per contract.
 - **Strike Price Intervals**. Strike price intervals are as agreed to between the parties.
 - **Automatic Exercise**. An in-the-money Option is cash settled five business days after expiration.
 - **Contract Size**. The Option size is equal to the size of the underlying Contract. A put or call option traded on the SEF represents an option to assume a short or long position in the corresponding Contract, at the strike price.
 - **Option Minimum Tick**. As agreed to between the parties.
- (2) Option Expiration and Last Trading Day. The expiration date is as agreed to between the parties. The last trading day is the last business day of each contract month.
- (3) Speculative Limits. None are currently required by the Commission.
- (4) Options on Physicals Contracts. Not applicable.

* * *

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Attachment A

SEF Rule 805 (9)(a)

Product Descriptions – Agricultural Swaps

Agricultural Swaps

Contract Specification	Details						
Product Description	<p>A commodity swap is a contract where the buyer is obliged to buy (sell) an asset at a predetermined fixed rate and sell (buy) the same asset at an average rate determined by the price of the underlying asset over single point in time or a series (or a strip) of predefined fixings.</p> <p>The following Agricultural products are traded at ICAP:</p> <ul style="list-style-type: none"> Corn (CBOT) Soybeans (CBOT) Wheat (CBOT) Soybean Oil (CBOT) Soybean Meal (CBOT) KCBT Hard Red Winter Wheat (KCBT) Lean Hogs (CME) MGE Hard Red Spring Wheat (MGE) Milling Wheat (Euronext Paris) Live Cattle (CME) London Cocoa (ICE London) Cocoa (ICE US) Coffee (ICE US) Robusta Coffee (ICE London) Sugar No. 11 (ICE US) White Sugar (ICE London) Cotton No. 2 (ICE US) Frozen Concentrated Orange Juice (“FCOJ”) (ICE US) 						
Quotation	Contract prices are quoted in dollars and cents per contract						
Units of Trading	Contract(s)						
Expiration Date	Trading shall cease at the end of the last day of the contract designated settlement period						
Settlement Terms	Cash settled, referencing the equivalent futures contract at the relevant exchange (CBOT, KCBT, CME, MGE, Euronext Paris, ICE London or ICE US) on the daily settlement price on the equivalent futures exchange listed above. Floating price settled based on the futures contract on specified settlement date.						
Minimum Price Fluctuation/Price Tick Size	The minimum price fluctuation is quoted in increments of \$0.01 per contract.						
Settlement Price	The settlement price will be the price agreed at the commencement of the contract, measured in one cent (\$0.01) per contract.						
Contract Size	<p>1 contract is defined as follows for each product:</p> <table style="margin-left: 40px; border: none;"> <tr> <td>Corn</td> <td>5,000 Bushels</td> </tr> <tr> <td>Soybeans</td> <td>5,000 Bushels</td> </tr> <tr> <td>Wheat</td> <td>5,000 Bushels</td> </tr> </table>	Corn	5,000 Bushels	Soybeans	5,000 Bushels	Wheat	5,000 Bushels
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Product Descriptions - Agricultural Swaps

Contract Specification	Details																														
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Effective Date	The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.																														
Maturity Date	The Maturity Date may also be referred to as the Termination Date or End Date.																														
Tenor	The duration of the time from the Effective Date to the Maturity Date.																														
Trade Types	<p>Agricultural Products can be traded as one of the following trade type:</p> <ul style="list-style-type: none"> a) Outright b) Spread/Switch 																														
Last Trading Day	Trading terminates at the close of business on the last business day of each contract month																														
Trading Conventions	<ul style="list-style-type: none"> a) Buyer (Payer), the fixed payer is the party of the contract who has bought the commodity or known to be 'long'. b) Seller (Receiver), the floating payer is the party of the contract who has sold the commodity or known to be 'short' 																														
Swap Leg Conventions	<ul style="list-style-type: none"> a) Payment Frequency. Monthly, Quarterly, Semi-Annually, or Annually b) Holiday Calendar. New York and London c) Business Day Convention. Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the New York and London calendar. If not, it will be the next day that is a business day on both the New York and London calendar. d) Fixed Rate. The agreed rate of the product traded 																														

Attachment B

SEF Rule 805 (9)(b)

Product Descriptions – Agricultural Commodity Options

Agricultural Commodity Options

Contract Specification	Details
Product Description	<p>The ICAP SEF (US) LLC “ICAP SEF” Agricultural Commodity Options are listed with respect to an underlying ICAP SEF Agricultural Swap.</p> <p>ICAP SEF offers options based on the following:</p> <ul style="list-style-type: none">Corn (CBOT)Soybean (CBOT)Wheat (CBOT)Soybean Oil (CBOT)Soybean Meal (CBOT)KCBT Hard Red Winter Wheat (KCTB)Lean Hogs (CME)MGE Hard Red Spring Wheat (MGE)Milling Wheat (Euronext Paris)Live Cattle (CME)London Cocoa (ICE London)Cocoa (ICE US)Coffee (ICE US)Robusta Coffee (ICE London)Sugar No. 11 (ICE US)White Sugar (ICE London)Cotton No. 2 (ICE US)Frozen Concentrated Orange Juice (“FCOJ”) (ICE US)
Trading Period/Tenor	<p>ICAP SEF offers options on the following swap tenors:</p> <ul style="list-style-type: none">• Up to 60 consecutive months.• Quarter, season, calendar, and any period of consecutive monthly contracts can be registered as a strip. For example, a Q1 option is an option on Jan, an option on Feb, and an option on Mar, with each option expiring thirty calendar days before the start of the relevant contract month.
Trading Hours	24 hours a day, Monday to Friday
Quotation	Contract prices are quoted in dollars and cents per contract.
Units of Trading	Contract(s)
Expiration Date	Trading shall cease at the end of the last day of the contract designated settlement period.
Settlement Terms	<p>Cash settled 5 business days after expiration based on the settlement price of the underlying Agricultural Swap, which references the equivalent futures contract at the relevant exchange. Floating price of the Agricultural Swap is settled based on the futures contract on specified settlement date.</p> <p>For Asian style options, the payment is determined by the average underlying price</p>

Product Descriptions – Agricultural Commodity Options

Contract Specification	Details																																				
	<p>over the pre-set period of time.</p> <p>For European style option, the payment is determined by the underlying price on a specific date.</p>																																				
Minimum Price Fluctuation/Price Tick Size	The minimum price fluctuation is quoted in increments of \$0.01 per contract.																																				
Settlement Price	The settlement price will be the price agreed at the commencement of the contract, measured in one cent (\$0.01) per contract.																																				
Contract Size	<p>1 contract is defined as follows for each product:</p> <table border="0" style="margin-left: 20px;"> <tr><td>Corn</td><td>5,000 Bushels</td></tr> <tr><td>Soybean</td><td>5,000 Bushels</td></tr> <tr><td>Wheat</td><td>5,000 Bushels</td></tr> <tr><td>Soybean Oil</td><td>60,000 Pounds</td></tr> <tr><td>Soybean Meal</td><td>100 Short Tons</td></tr> <tr><td>KCBT Hard Red Winter Wheat</td><td>5,000 Bushels</td></tr> <tr><td>Lean Hogs</td><td>40,000 Pounds</td></tr> <tr><td>MGE Hard Red Spring Wheat</td><td>5000 Bushels</td></tr> <tr><td>Milling Wheat</td><td>50 Metric Tons</td></tr> <tr><td>Live Cattle</td><td>40,000 Pounds</td></tr> <tr><td>London Cocoa</td><td>10 Metric Tons</td></tr> <tr><td>Cocoa</td><td>10 Metric Tons</td></tr> <tr><td>Coffee</td><td>37,500 pounds</td></tr> <tr><td>Robusta Coffee</td><td>10 Metric Tons</td></tr> <tr><td>Sugar No. 11</td><td>112,000 Pounds</td></tr> <tr><td>White Sugar</td><td>50 Metric Tons</td></tr> <tr><td>Cotton No. 2</td><td>50,000 Pounds</td></tr> <tr><td>FCOJ</td><td>50,000 Pounds</td></tr> </table>	Corn	5,000 Bushels	Soybean	5,000 Bushels	Wheat	5,000 Bushels	Soybean Oil	60,000 Pounds	Soybean Meal	100 Short Tons	KCBT Hard Red Winter Wheat	5,000 Bushels	Lean Hogs	40,000 Pounds	MGE Hard Red Spring Wheat	5000 Bushels	Milling Wheat	50 Metric Tons	Live Cattle	40,000 Pounds	London Cocoa	10 Metric Tons	Cocoa	10 Metric Tons	Coffee	37,500 pounds	Robusta Coffee	10 Metric Tons	Sugar No. 11	112,000 Pounds	White Sugar	50 Metric Tons	Cotton No. 2	50,000 Pounds	FCOJ	50,000 Pounds
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Maturity Date	The Maturity Date may also be referred to as the Termination Date or End Date.																																				
Tenor	The duration of the time from the Effective Date to the Maturity Date.																																				
Trade Types	<p>Agricultural options can be traded as one of the following trade types:</p> <ul style="list-style-type: none"> a) Put (European and Asian) b) Call (European and Asian) 																																				
Option Premium	Option premiums must be exchanged within 2 business days of the transaction being executed.																																				

Product Descriptions – Agricultural Commodity Options

Contract Specification

Details

Option premium to be quoted and exchanged in US Dollars.

Last Trading Day

Trading terminates at the close of business on the last business day of each contract month.

Trading Conventions

Buyer Option
Seller Option

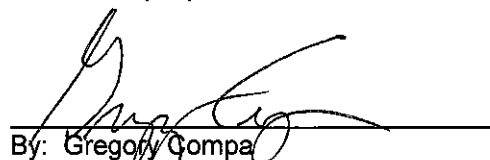
Swap Leg Conventions

- a) Payment Frequency: Monthly, Quarterly, Semi-Annually, or Annually
- b) Holiday Calendar: New York and London
- c) Business Day Convention: Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the New York and London calendar. If not, it will be the next day that is a business day on both the New York and London calendar.

ATTACHMENT C – CERTIFICATION PURSUANT TO CFTC REGULATION 40.2

The undersigned hereby certifies that the product described in this submission complies with the Commodity Exchange Act and the CFTC Regulations thereunder, and that concurrent with the filing of this submission with the Commission, ICAP SEF (US) LLC will be posting on its website, prior to 8:00 a.m. on December 12, 2014, a copy of this submission and a notice of pending product certification of this product with the Commission.

ICAP SEF (US) LLC

A handwritten signature in black ink, appearing to read 'Gregory Compa', is written over a horizontal line.

By: Gregory Compa
Title: Chief Compliance Officer
Date: December 11, 2014