

BGC Derivative Markets, L.P
Amended Contract Specifications 2015-07
June 2, 2015

1. The text of the proposed amendments to the BGC Derivative Markets, L.P. (“BGC”) SEF Contract Specifications, incorporated by reference in BGC Rule 1306, is appended as Attachment A.
2. The date of intended implementation of the proposed amendments is ten business days following the filing of this submission.
3. Attached, please find a certification that: (1) these rules comply with the Commodity Exchange Act, and the Commission’s regulations thereunder; and (2) concurrent with this submission, BGC posted on its website: (i) a notice of pending certification of the rule submissions with the Commission; and (ii) a copy of this submission.
4. A concise explanation and analysis of the operation, purpose, and effect of the amended rule appears below.
5. There were no opposing views expressed regarding these amended rules.

CONCISE EXPLANATION AND ANALYSIS OF THE OPERATION, PURPOSE, AND
EFFECT OF THE CERTIFIED RULE AND ITS COMPLIANCE WITH APPLICABLE
PROVISIONS OF THE ACT, INCLUDING CORE PRINCIPLES AND THE
COMMISSION’S REGULATIONS THEREUNDER

Pursuant to Commission Rule 40.6(a)(7)(vi), the following is a concise explanation and analysis of the operation, purpose, and effect of amendments to the BGC SEF Contract Specifications, incorporated by reference in BGC Rule 1306 and available on the BGC website.

The amendments are intended to provide greater clarity regarding the terms and conditions of the Equity Index Swap contract previously certified to the Commission. The amendments clarify that an Equity Index Swap may be structured in one of two ways, either as a Total Return Swap, whereupon the return performance of an underlying index includes a dividend stream, or as a Price Return Swap, whereupon the return performance excludes a dividend stream. Furthermore, the amendments expand the list of underlying indexes for Equity Index Swaps and associated foreign currencies in which such indexes are denominated.

BGC has reviewed the Core Principles applicable to Swap Execution Facilities under Section 5(f) of the Commodity Exchange Act, 7 U.S.C. §1 et seq. Core Principle (3) “Swaps Not Readily Susceptible to Manipulation” is applicable to these rule amendments.

All of the Equity Index Swaps that BGC offers are cash-settled swaps on a non-narrow based index. These contracts are not readily susceptible to manipulation, partly because they are based on broad-based securities indices. Also, BGC has a robust market surveillance program, making use of both NFA's and its own resources, that can effectively surveil trading in BGC's market, detect uncommon activity, and investigate any such activity for signs of manipulation. As outlined in Attachment A, additional currencies have been added consistent with the underlying indices.

Attached, please find a certification that: (1) these rules comply with the Act, and the Commission's regulations thereunder; and (2) concurrent with this submission, BGC posted on its website: (i) a notice of pending certification of the rule submissions with the Commission; and (ii) a copy of this submission.

CERTIFICATIONS PURSUANT TO SECTION 5c OF THE COMMODITY EXCHANGE
ACT, 7 U.S.C. §7A-2 AND COMMODITY FUTURES TRADING COMMISSION RULE 40.6,
17 C.F.R. §40.6

I hereby certify that:

- (1) the amended Rule complies with the Commodity Exchange Act, and the Commodity Futures Trading Commission's regulations thereunder; and
- (2) concurrent with this submission, BGC Derivative Markets, L.P. posted on its website:
 - (a) a notice of pending certification of the above Rules with the Commission; and (b) a copy of this submission



By: Michael Sulfaro
Title: Chief Compliance Officer
Date: June 2, 2015

Attachment A—Amended Contract Specifications

(Additions are underscored, deletions are struck through)

Equity Derivatives

Broad Market Index Equity Derivative Product Details and Contract Specifications

Equity Index Swaps

Product Description:

An equity swap is a product which allows the ability to gain exposure to the returns of an equity (“equity leg”) in exchange for payment or receipt of regular fixed or floating payments (“floating leg”) usually interest based plus a spread . Equity index swaps, for example, provide the opportunity to hedge exposure to a cash portfolio of index members without the physical sale of assets.

Example Terms and Conditions

<i>EQUITY INDEX SWAP</i>	
Contract description	<p>A contract to pay or receive regular fixed or floating interest payments on a notional amount in exchange for a the notional based return performance of an equity index</p> <p><u>An Equity Swap may be either a Total Return Swap whereupon the return performance of an equity index includes a dividend stream or Price Return Swap whereupon the return performance of an equity index excludes a dividend stream</u></p>
Trading Conventions	<p>An equity swap buyer pays a rate of interest plus a spread on a notional amount in return for any appreciation of the equity index on the notional amount</p> <p>An equity swap seller receives a rate of interest plus a spread on a notional amount and pay any appreciation of the equity index on the notional amount</p>

	<p><u>Where the Equity Swap is structured as a Total Return Swap, the appreciation/depreciation includes returns due (e.g. dividends) from the underlying index over the swap period.</u></p> <p><u>Where the Equity Swap is structured as a Price Return Swap, the appreciation/depreciation excludes returns due from the underlying index over the swap period.</u></p>
Underlying Equity	<p>SPX S&P 500, SX5E Eurostoxx 50, RTY Russell 2000, NDX Nasdaq 100, FTSE FTSE 100, DAX Dax 30, NKY Nikkei 225, VIX on S&P 500, DIA Dow Jones 30, MID S&P Mid 400, <u>NDUEE GFA MSCI Daily TR Net Emerging Markets Asia, NDEUSKO MSCI Daily TR Net Emerging Markets Korea, NDEUCHF MSCI Daily TR Net China, NDEUSTW MSCI Daily TR Net Emerging Markets Taiwan, NDEUSIA MSCI Emerging Markets India Net TR, NDEUPH MSCI Daily TR Net Emerging Markets Philippines, NDDUMAF MSCI Daily TR Net Malaysia, NDEUTHF MSCI Daily TR Net Emerging Markets Thailand, NDDUHK MSCI Daily TR Net Hong Kong, NDDUSG MSCI Daily TR Net Singapore, NDDUP MSCI Daily TR Net Pacific, GDDUP MSCI Daily Gross Pacific, NDDUPXJ MSCI Daily TR Net Pacific Ex Japan, HSI Hang Seng Index, HSCEI Hang Seng China Enterprises Index , TWII Taiwan Weighted Exchange Capitalization Weighted Stock Index, NSEI S&P CNX Nifty Index , TAMSCI MSCI Taiwan Index, SIMSCI MSCI Singapore Free Index</u></p>
Currency	<p>USD, EUR, JPY, <u>SGD, HKD, CNH, CNY</u> dependent on Underlying Equity</p>