



ICAP Global Derivatives Limited  
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London  
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June 29, 2022

**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 40.2 Certification of Interest Rate Swaps in CAD (IGDL-2022-P-1)*

Dear Mr. Kirkpatrick:

ICAP Global Derivatives Limited (“IGDL”) hereby notifies the Commodity Futures Trading Commission (the “Commission”) of its intent to list Interest Rate Swaps in Canadian dollars (the “Contract”) on IGDL’s swap execution facility. IGDL intends to list the Contracts on July 1, 2022.

Pursuant to Commission Regulation 40.2, this submission includes:

- (i) The intended listing date – July 1, 2022;
- (ii) A certification by IGDL that: (a) the Contract complies with the Commodity Exchange Act, as amended, and the Commission regulations thereunder; and (b) concurrent with this submission, IGDL posted on its website: (i) a notice of pending certification of the Contract, and (ii) a copy of this submission, attached as Exhibit A;
- (iii) The terms and conditions of the Contract, attached as Exhibit B; and
- (iv) An explanation and analysis of the Contract’s compliance with applicable core principles and Commission regulations, attached as Exhibit C.

IGDL is listing the Contract by virtue of updating the terms and conditions of Fixed for Floating

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Interest Rate Swaps currently included in IGDL Rule 801(1), Rule 801(2), and Rule 801(3). A copy of the terms and conditions marked to show changes from the currently effective version is attached as Exhibit D.

IGDL will be separately updating its Rulebook to reflect this change.

Questions regarding this submission should be directed to Brian Donnelly, Chief Compliance Officer, at (201) 984-6956 or by email at [bddonnelly@tullettprebon.com](mailto:bddonnelly@tullettprebon.com).

Very truly yours,

ICAP Global Derivatives Limited

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

Name: Brian D. Donnelly

Title: Chief Compliance Officer

Date: June 29, 2022

Enclosures

cc: CFTC Division of Market Oversight ([dmosubmissions@cftc.gov](mailto:dmosubmissions@cftc.gov))  
Nancy Markowitz, CFTC ([nmarkowitz@cftc.gov](mailto:nmarkowitz@cftc.gov))

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**EXHIBIT A**

CERTIFICATIONS PURSUANT TO SECTION 5c OF THE COMMODITY EXCHANGE  
ACT, 7 U.S.C. §7A-2 AND COMMODITY FUTURES TRADING COMMISSION  
REGULATION 40.2, 17 C.F.R. §40.2

ICAP Global Derivatives Limited (“IGDL”) hereby certifies that: (i) Interest Rate Swaps in Canadian dollars (the “Contract”) comply with the Commodity Exchange Act, 7 U.S.C. §1 et seq. and Commodity Futures Trading Commission (“Commission”) regulations thereunder; and (ii) concurrent with this submission, IGDL posted on its website: (a) a notice of pending certification of the Contract with the Commission and (b) a copy of this submission.

ICAP Global Derivatives Limited



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

Name: Brian D. Donnelly

Title: Chief Compliance Officer

Date: June 29, 2022

## EXHIBIT B

### Terms and Conditions

#### Rule 801(1) — Fixed for Floating IRS

A Fixed for Floating IRS is an Interest Rate Swap for which settlement is in the form of periodic fixed interest payments and a stream of periodic floating interest payments based on an interest rate over a term to maturity. The interest rate payments are exchanged for a specified period based on a notional amount.

Currencies
USD
EUR
GBP
CAD

#### Specifications

##### Trading Conventions:

- Buyer (Payer) pays fixed interest rate and receives floating interest rate.
- Seller (Receiver) receives fixed interest rate and pays floating interest rate.

##### Upfront Payment Dates:

- USD – T+1 through maturity
- EUR – T+1 through maturity
- GBP – T+1 through maturity
- CAD – T+1 through maturity

##### Settlement Convention:

- USD – T+2
- EUR – T+2
- GBP – T+2
- CAD – T+2

##### Swap Leg Conventions:

- The terms of Fixed for Floating IRS are based on a number of combinations of the criteria below.
  - Fixed Leg
    - Payment Frequency
      - Monthly, Quarterly, Semi-Annually, or Annually.
    - Day Count Convention
      - 30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA.
    - Holiday Calendar
      - Applied in accordance for the country currency denoted for the instrument.
    - Business Day Convention
      - Modified Following with adjustment to period end dates. Business days in this convention must be valid business days for the countries denoted by the currency (EUTA, GBLO, USNY, CATO). If not, it will be the next day that is a business day on both calendars.
    - Fixed Rate
      - The traded interest rate yield or basis points on Trade Date.
  - Floating Leg
    - Reset Frequency

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- Monthly, Quarterly, or Semi-Annual.
- Day Count Convention
  - 30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA.
- Holiday Calendar
  - Applied in accordance for the country currency denoted for the instrument.
- Business Day Convention
  - Modified Following with adjustment to period end dates. Business days in this convention must be valid business days for the countries denoted by the currency (EUTA, GBLO, USNY, CATO). If not, it will be the next day that is a business day on both calendars.
- Fixed Rate
  - The traded interest rate yield or basis points on Trade Date.
- Interest Rate Benchmark
  - EUR-EURIBOR-Reuters, EUR-EURIBOR-Telerate(incoming), GBP-LIBOR-BBA, USD-LIBOR-BBA, USD-SOFR-COMPOUND, USD-BSBY, CAD-LIBOR-BBA.
- Leg Computation Convention: none, flat, straight or spread exclusive.

Trade Date:

- The date on which the parties enter into the Swap transaction.

Effective Date:

- The first date from which Fixed and Floating interest amounts accrue. It is also referred to as the Start Date or the Value Date. The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.

Trade Start Type:

- Spot Starting
  - A Swap whose Effective Date is 2 business days from the Trade Date (T+2).
- Forward Starting
  - A Swap whose Effective Date is anything after the Effective Date for a Spot Starting Swap.
- Same Day Starting
  - A Swap whose Effective Date is the same as the Trade Date (T+0).

Maturity Date:

- The final date until which Fixed and Floating amounts accrue. The Maturity Date may also be referred to as the Termination Date or End Date.

Tenor:

- The duration of time from the Effective Date to the Maturity Date. Tenors of any duration greater than 0 years to 50 years.
- Listed Tenors, also known as On-the-Run, are whole calendar year Spot Starting Contracts with a Tenor of 1 through 51 years.
- Other Tenors, also known as Off-the-Run, means any partial year Tenor (Months, Weeks, Days).

Roll Day Convention:

- The date used for determining all floating Reset Dates (other than for USD-SOFR-COMPOUND which is an overnight compounded rate). Roll Days define the beginning and end of Fixed and Floating interest accrual periods.
- For On-the-Run Contracts, the Roll Day is the same date of the month as the Effective Date. For Off-the-Run Contracts, it can be any date of the month, subject to the provisions of the Business

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Day Convention. Roll Day marks the start of a new interest accrual period, and is the date on which a Reset Rate takes effect (other than for USD-SOFR-COMPOUND which is an overnight compounded rate).

Floating Reset Dates:

- Dates utilized to determine the Floating Rate amounts for each interest accrual period during the Tenor of the contract (other than for USD-SOFR-COMPOUND which is an overnight compounded rate). Except in the case of a Stub Period, the Reset Date is aligned with the floating rate frequency as determined.

First Period Fixing Date:

- For Spot Starting Swaps, the Interest Rate for the first interest period is fixed on the Trade Date, for both Floating and Fixed Rates (other than with respect to USD-SOFR-COMPOUND for which the Floating Rate is not ascertainable at such time).
- For Forward Starting Swaps, the Fixed Rate for the first interest period is fixed on the Trade Date, and the Floating Rate for the first interest period is fixed 2 business days prior to the first floating payment date, taking into account agreed non-working days (other than with respect to USD-SOFR-COMPOUND for which the Floating Rate is not ascertainable at such time).

Stub Period Rate:

- For Swaps with partial year Tenors, an interest period that is shorter than the standard underlying Floating index interest periods may occur between the Effective Date and the first or last Roll Date (known as a Stub Period). In these cases, the Interest Rate for such Stub Period is determined using linear interpolation based on the two index rates that surround the Stub Period this can be applied either at the start or end of that period: Front or Back. This is not applicable to USD-SOFR-COMPOUND, which is an overnight compounded rate.

Trade Types:

- The Platform may support the following trade types:
  - Outrights
    - An Outright Swap is where one party is the payer of the Fixed Rate and receiver of the Floating Rate and the other party is the receiver of the Fixed Rate and payer of the Floating Rate.
  - Spreads or Switches
    - A spread or a switch is the simultaneous purchase and sale of:
      - two different Tenors of the yield curve (e.g. 2 year by 10 year), or
      - two identical Swaps cleared at different DCOs (e.g. CME/LCH.Clearnet) ("**CME/LCH.Clearnet Spreads**").
  - Butterflies
    - Butterflies are the simultaneous purchase(s) and sale(s) of three different Tenors of the yield curve (e.g. 2 year by 5 year by 10 year).

Contract Size:

- Minimum notional size is dependent on currency and Tenor.

Quoting Convention:

- Outrights
  - The interest rate yield is quoted in increments of a minimum of .000025 (1/40th of a basis point).
- Spreads and Butterflies (other than CME/LCH.Clearnet Spreads) will be quoted in basis points dependent in multiples of the increments of the underlying Outrights.
- CME/LCH.Clearnet Spreads will be quoted as described in Chapter 9.

Final Settlement Price:

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- Multiple payments take place during the term of the Swap. Settlement price used for the periodic exchange of Fixed and Floating payments is based on the following factors:
  - Fixed Leg
    - Payment amount on the Fixed Leg is based on the traded price and notional amounts of the Swap on Trade Date. Payment timing on the Fixed Leg is based on the Payment Frequency, Day Count Convention, Business Day Convention, and Roll Day.
  - Floating Leg
    - Payment on the Floating Leg is based on the Interest Rate and notional amounts of the Swap. Payments on the Floating Leg are based on the Payment Frequency, Day Count Convention, Business Day Convention, Roll Day Convention, Spread (if any), Floating Rate Day Count Fraction and Floating Reset Dates.

Additional Payments/Fees:

- None.

Clearing:

- Certain Fixed for Floating IRS contracts are eligible to be cleared at one or more of CME, LCH.Clearnet, Eurex and JSCC. Please see: <http://www.cmegroup.com/>; <http://www.lchclearnet.com/>; <http://www.eurexclearing.com/clearing-en/>; and <http://www.jsc.co.jp/en/>.

### **Rule 801(2) — Basis Swaps**

A Basis Swap is an Interest Rate Swap for which settlement is in the form of periodic floating interest payments and periodic floating interest payments based on interest rate benchmarks over a term to maturity. The interest rate payments are exchanged for a specified period based on a notional amount.

<b>Currencies</b>
USD
EUR
GBP
CAD

### **Specifications**

Trading Conventions:

- Buyer (Payer) pays floating interest rate plus/minus a spread and receives floating interest rate.
- Seller (Receiver) receives floating interest rate plus/minus a spread and pays floating interest rate.

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Supported Basis Combinations:

- 1M EURIBOR vs 3M EURIBOR
- 1M EURIBOR vs 6M EURIBOR
- 3M EURIBOR vs 6M EURIBOR
- 1M GBP-LIBOR vs 3M GBP-LIBOR
- 1M GBP-LIBOR vs 6M GBP-LIBOR
- 3M GBP-LIBOR vs 6M GBP-LIBOR
- 1M USD-LIBOR vs Federal Funds H.15
- 3M USD-LIBOR vs Federal Funds H.15
- 6M USD-LIBOR vs Federal Funds H.15
- 1M USD-LIBOR vs 3M USD-LIBOR
- 1M USD-LIBOR vs 6M USD-LIBOR
- 3M USD-LIBOR vs 6M USD-LIBOR
- 1M USD-LIBOR vs USD-SOFR-COMPOUND
- 3M USD-LIBOR vs USD-SOFR-COMPOUND

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- 6M USD-LIBOR vs USD-SOFR-COMPOUND
- 12M USD-BSBY vs. USD-SOFR-COMPOUND
- 1M USD-BSBY vs 3M USD-BSBY
- 1M USD-BSBY vs 6M USD-BSBY
- 1M USD-BSBY vs 12M USD-BSBY
- 3M USD-BSBY vs 6M USD-BSBY
- 3M USD-BSBY vs 12M USD-BSBY
- 6M USD-BSBY vs 12M USD-BSBY

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Upfront Payment Dates:

- USD – T+1 through maturity
- EUR – T+1 through maturity
- GBP – T+1 through maturity
- CAD – T+1 through maturity

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Settlement Convention:

- USD – T+1
- EUR – T+1
- GBP – T+1
- CAD – T+1

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Swap Leg Conventions:

- The terms of Basis Swaps are based on a number of combinations of the criteria below.
  - Floating Leg 1
    - Payment Frequency
      - Monthly, Quarterly, Semi-Annually, or Annually.
    - Day Count Convention
      - 30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA.
    - Holiday Calendar
      - Applied in accordance for the country currency denoted for the instrument.
    - Business Day Convention
      - Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the calendars (EUTA, GBLO, USNY, CATO). If not, it will be the next day that is a business day on both calendars.
    - Floating Rate
      - The floating interest rate yield or basis points on Trade Date.
  - Floating Leg 2
    - Reset Frequency
      - Monthly, Quarterly, Semi-Annual, or Annually.
    - Day Count Convention
      - 30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA.
    - Holiday Calendar
      - Applied in accordance for the country currency denoted for the instrument.
    - Business Day Convention
      - Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both calendars (EUTA, GBLO, USNY). If not, it will be the next day that is a business day on calendars.
    - Interest Rate Benchmark



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- EUR-EURIBOR-Reuters, EUR-EURIBOR-Telerate (incoming), GBP-LIBOR-BBA, USD-LIBOR-BBA, USD-SOFR-COMPOUND, USD-BSBY, CAD-LIBOR-BBA.

Trade Date:

- The date on which the parties enter into the Swap transaction.

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Effective Date:

- The first date from which floating interest amounts accrue. It is also referred to as the Start Date or the Value Date. The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.

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Trade Start Type:

- Spot Starting
  - A Swap whose Effective Date is 2 business days from the Trade Date (T+2).
- Forward Starting
  - A Swap whose Effective Date is anything after the Effective Date for a Spot Starting Swap.
- Same Day Starting
  - A Swap whose Effective Date is the same as the Trade Date (T+0).

Maturity Date:

- The final date until which Floating amounts accrue. The Maturity Date may also be referred to as the Termination Date or End Date.

Tenor:

- The duration of time from the Effective Date to the Maturity Date. The Facility will support Tenors of any duration greater than 0 years to 50 years.
- Listed Tenors, also referred to as On-the-Run, are whole calendar year Spot Starting or Same Day Starting Swaps with a Tenor of 1 through 15, 20, 25, 30, 35, 40, 45 and 50 years.
- Other Tenors means any whole year Tenors other than the Listed Tenors and any partial year Tenor.

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Roll Day Convention:

- The date used for determining all floating Reset Dates (other than for USD-SOFR-COMPOUND which is an overnight compounded rate). Roll Days define the beginning and end of Floating interest accrual periods.
- For On-the-Run Swaps, the Roll Day is the same date of the month as the Effective Date. For Off-the-Run Swaps, it can be any date of the month, subject to the provisions of the Business Day Convention. Roll Day marks the start of a new interest accrual period, and is the date on which a Reset Rate takes effect (other than for USD-SOFR-COMPOUND which is an overnight compounded rate).
  - Note: Subject to good business days – as with all instruments, will never roll forward to the following month.

Floating Reset Dates:

- Dates utilized to determine the Floating Rate amounts for each interest accrual period during the Tenor of the contract (other than for USD-SOFR-COMPOUND which is an overnight compounded rate). Except in the case of a Stub Period, the Reset Date is 2 business days (USD, EUR) or zero business days (GBP) prior to the Roll Date for that interest accrual period.

First Period Fixing Date:

- For Spot Starting and Same Day Starting Swaps, the Interest Rate for the first interest period is fixed on the Trade Date, for both Floating Rates (other than with respect to USD-SOFR-COMPOUND for which the Floating Rate is not ascertainable at such time).
- For Forward Starting Swaps, the Floating Rate for the first interest period is fixed on the Trade Date, and the Floating Rate for the first interest period is fixed 2 business days prior to the Effective

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Date (other than with respect to USD-SOFR-COMPOUND for which the Floating Rate is not ascertainable at such time).

Stub Period Rate:

- For Swaps with partial year Tenors, an interest period that is shorter than the standard underlying Floating index interest periods may occur between the Effective Date and the first or last Roll Date (known as a Stub Period). In these cases, the Interest Rate for such Stub Period is determined using linear interpolation based on the two index rates that surround the Stub Period this can be applied either at the start or end of that period: Front or Back. This is not applicable to USD-SOFR-COMPOUND, which is an overnight compounded rate.

Trade Types:

- The Platform may support the following trade types:
  - Outrights
    - An Outright Swap is where one party is the payer of the Floating Rate 1 plus/minus a spread and receiver of the Floating Rate 2 and the other party is the receiver of the Floating Rate 1 plus/minus a spread and payer of the Floating Rate 2.
  - Spreads or Switches
    - A spread or a switch is the simultaneous purchase and sale of two different Tenors of the yield curve (e.g. 2 year by 10 year).
  - Butterflies
    - Butterflies are the simultaneous purchase(s) and sale(s) of three different Tenors of the yield curve (e.g. 2 year by 5 year by 10 year).

Instrument Minimum and Incremental Size:

- Minimum notional size is dependent on currency and Tenor.
- Block Trades
  - Minimum notional size as stated by the Commission and increments dependent on currency and Tenor.

Quoting Convention:

- Outrights are quoted in interest rate yield in a minimum 1/10th of a basis point increments.
- Spreads and Butterflies are quoted in interest rate yield differential in minimum 1/10th basis point increments.
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Final Settlement Price:

- Multiple payments take place during the term of the Swap. Settlement price is based on the following factors, which must be specified by the parties:
  - Interest rate, interest rate benchmark, notional amounts of the Swap, Payment Frequency, Day Count Convention, Business Day Convention, Roll Day Convention, Spread (if any), Floating Rate Day Count Fraction and Floating Reset Dates.

Additional Payments/Fees:

- None.

Clearing:

- Certain Basis Swap contracts are eligible to be cleared at one or more of CME, LCH.Clearnet, Eurex and JSCC. Please see: <http://www.cmegroup.com/>; <http://www.lchclearnet.com/>; <http://www.eurexclearing.com/clearing-en/>; and <http://www.jsc.co.jp/en/>.

### Rule 801(3) — Forward Rate Agreement (FRA)

A Forward Rate Agreement is an Interest Rate Swap for which settlement is in the form of one fixed interest payment and one floating interest payment based on an interest rate benchmark to be paid or received on an obligation beginning at a future start date. The interest rate payments are exchanged based on a notional amount.

Currencies
USD
EUR
GBP
CAD

### Specifications

#### Trading Conventions

- Buyer (Payer) pays fixed interest rate and receives floating interest rate.
- Seller (Receiver) receives fixed interest rate and pays floating interest rate.

#### Upfront Payment Dates:

- USD – T+1 through maturity
- EUR – T+1 through maturity
- GBP – T+1 through maturity
- CAD – T+1 through maturity

#### Settlement Convention:

- USD – T+1
- EUR – T+1
- GBP – T+1
- CAD – T+1

#### Swap Leg Conventions

- The terms of FRAs are based on a number of combinations of the criteria below.
  - Fixed Leg
    - Payment Frequency
      - Once
    - Day Count Convention
      - 30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA
    - Holiday Calendar
      - Applied in accordance with the country relating to the currency of the instrument
    - Business Day Convention
      - Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the holiday calendars of that country (EUTA, GBLO, USNY, CATO). If not, it will be the next day that is a business day on both calendars.
    - Fixed Rate
      - The traded interest rate yield or basis points on Trade Date
  - Floating Leg
    - Reset Frequency
      - Once
    - Day Count Convention
      - 30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA
    - Holiday Calendar
      - Applied in accordance with the country relating to the currency of the instrument

- Business Day Convention
  - Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the calendars for each country (EUTA, GBLO, USNY, CATO). If not, it will be the next day that is a business day on both respective country holiday calendars.
- Interest Rate Benchmark
  - EUR-EURIBOR-Reuters, EUR-EURIBOR-Telerate (incoming), GBP-LIBOR-BBA, USD-LIBOR-BBA, CAD-LIBOR-BBA

#### Trade Date

- The date on which the parties enter into the Swap transaction.

#### Effective Date

- The first date from which fixed and floating interest amounts accrue. It is also referred to as the Start Date or the Value Date. The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.

#### Maturity Date

- The final date until which Fixed and Floating amounts accrue. The Maturity Date may also be referred to as the Termination Date or End Date. The maturity range is 3 days to 3 years, subject to the maximum Tenor listed below.

#### Tenor

- The duration of time from the Effective Date to the Maturity Date Tenors will be support for any duration greater than 0 month to 12 months.
- Listed Tenors, also referred to as On-the-Run, means whole year Spot Starting or Same Day Starting Instruments with a Tenor of an integer number of months.
- Other Tenors means any Tenors other than the Listed Tenors.

#### Floating Reset Dates

- Dates utilized to determine the Floating Rate amount for the interest accrual period during the Tenor of the Instrument. Except in the case of a Stub Period, the Reset Date is adjusted business days dependent on the currency prior to the Roll Date for that interest accrual period.

#### First Period Fixing Date

- The Fixed Rate for the first interest period is fixed on the Trade Date, and the Floating Rate for the first interest period is fixed 2 business days prior to the Effective Date.

#### Trade Types

- The Platform may support the following trade types:
  - Outrights
    - An Outright swap is where one party is the payer of the fixed rate and receiver of the floating rate and the other party is the receiver of the fixed rate and payer of the floating rate.
  - Spreads or Switches
    - A spread or a switch is the simultaneous purchase and sale of two different Tenors of the yield curve (e.g. 3x6 by 9x12).

#### Instrument Minimum and Incremental Size.

- Minimum notional size is dependent on currency and Tenor.
- Block Trades. Minimum notional size as stated by the Commission and increments Dependent on currency and Tenor.

#### Quoting Convention

- Outrights are quoted in interest rate yield in minimum of .000025 increments (1/40th of a basis point).
- Spreads/Switches will be quoted in basis points dependent in multiples of the increments of the underlying Outrights.

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Last Trading Day

- Spot Starting
  - Close of business on Trade Date.
- Forward Starting
  - Close of business three business days prior to the Effective Date of the swap.

Final Settlement Price

- Multiple payments take place during the term of the swap. Settlement price is based on the following factors, which must be specified by the parties:
  - Interest rate, interest rate benchmark, notional amounts of the swap, Payment Frequency, Day Count Convention, Business Day Convention, Roll Day Convention, Spread (if any), Floating Rate Day Count Fraction, Floating Reset Dates, Discount Rate, Discount Rate Day Count Fraction and FRA Discounting/FRA Yield Discounting.

Additional Payments/Fees

- None.

Clearing

- Contracts are eligible to be cleared at CME, LCH.Clearent, Eurex and JSCC.

Block Trades must occur outside the Order Book and in a quantity that meets or exceeds Appropriate Minimum Block Sizes set by the Commission.

## EXHIBIT C

### EXPLANATION AND ANALYSIS OF THE CONTRACT'S COMPLIANCE WITH APPLICABLE CORE PRINCIPLES AND COMMISSION REGULATIONS

As required by Commodity Futures Trading Commission ("Commission") Regulation 40.2(a), the following analysis, in narrative form, demonstrates that Basis Swaps (the "Contracts") are consistent with the requirements of the Commodity Exchange Act, as amended (the "Act"), and the Commission regulations and guidance thereunder (in particular, Appendix B to Part 37 and Appendix C to Part 38).

#### Appendix B to Part 37

#### **Core Principle 3 of Section 5h of the Act—Swaps Not Readily Susceptible to Manipulation; Core Principle 4 of Section 5h of the Act—Monitoring of Trading and Trade Processing**

**The swap execution facility shall permit trading only in swaps that are not readily susceptible to manipulation.**

#### **(a) Guidance.**

**(1) In general, a swap contract is an agreement to exchange a series of cash flows over a period of time based on some reference price, which could be a single price, such as an absolute level or a differential, or a price index calculated based on multiple observations. Moreover, such a reference price may be reported by the swap execution facility itself or by an independent third party. When listing a swap for trading, a swap execution facility shall ensure a swap's compliance with Core Principle 3, paying special attention to the reference price used to determine the cash flow exchanges. Specifically, Core Principle 3 requires that the reference price used by a swap not be readily susceptible to manipulation. As a result, when identifying a reference price, a swap execution facility should either: Calculate its own reference price using suitable and well-established acceptable methods or carefully select a reliable third-party index.**

**(2) The importance of the reference price's suitability for a given swap is similar to that of the final settlement price for a cash-settled futures contract. If the final settlement price is manipulated, then the futures contract does not serve its intended price discovery and risk management functions. Similarly, inappropriate reference prices cause the cash flows between the buyer and seller to differ from the proper amounts, thus benefitting one party and disadvantaging the other. Thus, careful consideration should be given to the potential for manipulation or distortion of the reference price.**

The reference rate for the floating rates of the Contracts is one of several widely used benchmarks such as USD-LIBOR-BBA. These rates are administered and calculated by third-party providers using specific guidelines. Many of these providers are regulated in their home jurisdictions. The Contracts are not susceptible to manipulation for a number of reasons. First,

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interest rate products are very liquid – the market is very large and deep, making manipulation very difficult to achieve. Second, IGDL has established rules and an enforcement infrastructure to prevent manipulation. IGDL staff conduct real-time market surveillance and the National Futures Association (“NFA”) provides regulatory services on a T+1 basis. NFA’s services include comprehensive trade practice and market surveillance services (the scope of which can be found in the Regulatory Services Agreement between NFA and IGDL submitted to the Commission as part of IGDL’s swap execution facility application) (note that the foregoing also demonstrates compliance with Core Principle 4). Finally, the reference rates upon which the Contracts are based are difficult for any entity or group of market participants to manipulate.

**(3) For swaps that are settled by physical delivery or by cash settlement refer to the guidance in Appendix C to Part 38 of this chapter—Demonstration of Compliance that a Contract is not Readily Susceptible to Manipulation, section b(2) and section c(4), respectively.**

Please see below.

**Appendix C to Part 38 - Demonstration of Compliance That a Contract Is Not Readily Susceptible to Manipulation**

**(c) Futures Contracts Settled by Cash Settlement. (1) Cash settlement is a method of settling certain futures or option contracts whereby, at contract expiration, the contract is settled by cash payment in lieu of physical delivery of the commodity or instrument underlying the contract. An acceptable specification of the cash settlement price for commodity futures and option contracts would include rules that fully describe the essential economic characteristics of the underlying commodity (e.g., grade, quality, weight, class, growth, issuer, maturity, source, rating, description of the underlying index and index’s calculation methodology, etc.), as well as how the final settlement price is calculated. In addition, the rules should clearly specify the trading months and hours of trading, the last trading day, contract size, minimum price change (tick size) and any limitations on price movements (e.g., price limits or trading halts).**

***Essential Economic Characteristics of the Exotic Options Terms***

The terms and conditions of the Contracts match the terms of basis swaps that are commonly offered in the market and are listed in Exhibit B.

***Calculation of Cash Settlement Price***

The cash settlement price of each leg of the swap is based on the following: notional amount, payment frequency, day count convention, floating interest rate index and floating reset dates.

**(2) Cash settled contracts may be susceptible to manipulation or price distortion. In evaluating the susceptibility of a cash-settled contract to manipulation, a designated contract market should consider the size and liquidity of the cash market that underlies the**

**listed contract in a manner that follows the determination of deliverable supply as noted above in (b)(1). In particular, situations susceptible to manipulation include those in which the volume of cash market transactions and/or the number of participants contacted in determining the cash-settlement price are very low. Cashsettled contracts may create an incentive to manipulate or artificially influence the data from which the cash-settlement price is derived or to exert undue influence on the cash-settlement price's computation in order to profit on a futures position in that commodity. The utility of a cash-settled contract for risk management and price discovery would be significantly impaired if the cash settlement price is not a reliable or robust indicator of the value of the underlying commodity or instrument. Accordingly, careful consideration should be given to the potential for manipulation or distortion of the cash settlement price, as well as the reliability of that price as an indicator of cash market values. Appropriate consideration also should be given to the commercial acceptability, public availability, and timeliness of the price series that is used to calculate the cash settlement price. Documentation demonstrating that the settlement price index is a reliable indicator of market values and conditions and is commonly used as a reference index by industry/market agents should be provided. Such documentation may take on various forms, including carefully documented interview results with knowledgeable agents.**

The Contracts operate in a very liquid market with numerous participants. Also, the cash settlement price is not easily susceptible to manipulation or distortion as the method of determining the price is based on the applicable reference rate. Each of the available reference rates is widely accepted by market participants and data is readily accessible through numerous news outlets. Some of the currencies and associated benchmarks are, of course, less widely traded than others.

**(3) Where an independent, private-sector third party calculates the cash settlement price series, a designated contract market should consider the need for a licensing agreement that will ensure the designated contract market's rights to the use of the price series to settle the listed contract. (i) Where an independent, private-sector third party calculates the cash settlement price series, the designated contract market should verify that the third party utilizes business practices that minimize the opportunity or incentive to manipulate the cash-settlement price series. Such safeguards may include lock-downs, prohibitions against derivatives trading by employees, or public dissemination of the names of sources and the price quotes they provide. Because a cash-settled contract may create an incentive to manipulate or artificially influence the underlying market from which the cash-settlement price is derived or to exert undue influence on the cash-settlement computation in order to profit on a futures position in that commodity, a designated contract market should, whenever practicable, enter into an information-sharing agreement with the third-party provider which would enable the designated contract market to better detect and prevent manipulative behavior.**

As described above, the cash settlement price is calculated through a cash settlement method that is not easily susceptible to manipulation.

**(ii) Where a designated contract market itself generates the cash settlement price series, the**



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**designated contract market should establish calculation procedures that safeguard against potential attempts to artificially influence the price. For example, if the cash settlement price is derived by the designated contract market based on a survey of cash market sources, the designated contract market should maintain a list of such entities which all should be reputable sources with knowledge of the cash market. In addition, the sample of sources polled should be representative of the cash market, and the poll should be conducted at a time when trading in the cash market is active.**

Please see above.

**(iii) The cash-settlement calculation should involve computational procedures that eliminate or reduce the impact of potentially unrepresentative data.**

**(iv) The cash settlement price should be an accurate and reliable indicator of prices in the underlying cash market. The cash settlement price also should be acceptable to commercial users of the commodity contract. The registered entity should fully document that the settlement price is accurate, reliable, highly regarded by industry/market agents, and fully reflects the economic and commercial conditions of the relevant designated contract market.**

Please see above.

**(v) To the extent possible, the cash settlement price should be based on cash price series that are publicly available and available on a timely basis for purposes of calculating the cash settlement price at the expiration of a commodity contract. A designated contract market should make the final cash settlement price and any other supporting information that is appropriate for release to the public, available to the public when cash settlement is accomplished by the derivatives clearing organization. If the cash settlement price is based on cash prices that are obtained from non-public sources (e.g., cash market surveys conducted by the designated contract market or by third parties on behalf of the designated contract market), a designated contract market should make available to the public as soon as possible after a contract month's expiration the final cash settlement price as well as any other supporting information that is appropriate or feasible to make available to the public.**

The various reference rates are readily available via a number of sources.

**(4) Contract terms and conditions requirements for futures contracts settled by cash settlement. (i) An acceptable specification of the terms and conditions of a cash-settled commodity contract will also set forth the trading months, last trading day, contract size, minimum price change (tick size) and daily price limits, if any.**

Please see Exhibit B for the Contracts' terms and conditions.

**(A) Commodity Characteristics: The terms and conditions of a commodity contract should describe the commodity underlying the contract. The reference rates are included in the**

**terms and conditions. As noted above, each of these rates is widely used in the market.**

**(B) Contract Size and Trading Unit: An acceptable specification of the trading unit would be a contract size that is consistent with customary transactions in the cash market. A designated contract market may opt to set the contract size smaller than that of standard cash market transactions.**

The Contract sizes are consistent with customary transaction sizes in the market.

**(C) Cash Settlement Procedure: The cash settlement price should be reliable, acceptable, publicly available, and reported in a timely manner as described in paragraphs (c)(3)(iv) and (c)(3)(v) of this appendix C.**

The cash settlement procedure and an explanation of how, in the context of these Contracts, it is not readily susceptible to manipulation, is described above.

**(D) Pricing Basis and Minimum Price Fluctuation (Minimum Tick): The minimum price increment (tick) should be set a level that is equal to, or less than, the minimum price increment commonly observed in cash market transactions for the underlying commodity. Specifying a futures' minimum tick that is greater than the minimum price increment in the cash market can undermine the risk management utility of the futures contract by preventing hedgers from efficiently establishing and liquidating futures positions that are used to hedge anticipated cash market transactions or cash market positions.**

As agreed between counterparties.

**(E) Maximum Price Fluctuation Limits: Designated contract markets may adopt price limits to: (1) Reduce or constrain price movements in a trading day that may not be reflective of true market conditions but might be caused by traders overreacting to news; (2) Allow additional time for the collection of margins in times of large price movements; and (3) Provide a “cooling-off” period for futures market participants to respond to bona fide changes in market supply and demand fundamentals that would lead to large cash and futures price changes. If price-limit provisions are adopted, the limits should be set at levels that are not overly restrictive in relation to price movements in the cash market for the commodity underlying the futures contract. For broad-based stock index futures contracts, rules should be adopted that coordinate with New York Stock Exchange (“NYSE”) declared Circuit Breaker Trading Halts (or other market coordinated Circuit Breaker mechanism) and would recommence trading in the futures contract only after trading in the majority of the stocks underlying the index has recommenced.**

As agreed between counterparties.

**(F) Last Trading Day: Specification of the last trading day for expiring contracts should be established such that it occurs before publication of the underlying third-party price index or determination of the final settlement price. If the designated contract market chooses to allow trading to occur through the determination of the final settlement price, then the**

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**designated contract market should show that futures trading would not distort the final settlement price calculation.**

The last trading day will be the maturity date of each contract, which is set by the individual counterparties.

**(G) Trading Months: Trading months should be established based on the risk management needs of commercial entities as well as the availability of price and other data needed to calculate the cash settlement price in the specified months. Specification of the last trading day should take into consideration whether the volume of transactions underlying the cash settlement price would be unduly limited by occurrence of holidays or traditional holiday periods in the cash market. Moreover, a contract should not be listed past the date for which the designated contract market has access to use a proprietary price index for cash settlement.**

Payments are settled in accordance with the payment frequency of the particular contract, which is a flexible term.

**(H) Speculative Limits: Specific rules and policies for speculative position limits are set forth in part 150 and/or part 151, as applicable, of the Commission's regulations.**

None required by Parts 150 or 151.

**(I) Reportable Levels: Refer to § 15.03 of the Commission's regulations.**

IGDL will adhere to the applicable reporting levels set forth in § 15.03 of the Commission's regulations.

**(J) Trading Hours: Should be set by the designated contract market to delineate each trading day.**

The Contracts are traded twenty-three hours a day from Sunday to Friday Eastern Time. The Contracts are not traded between 5:30 p.m. and 6:30 p.m. Eastern Time.

## **EXHIBIT D**

### **Terms and Conditions (Marked Against Current Version)**

#### **Rule 801(1) — Fixed for Floating IRS**

A Fixed for Floating IRS is an Interest Rate Swap for which settlement is in the form of periodic fixed interest payments and a stream of periodic floating interest payments based on an interest rate over a term to maturity. The interest rate payments are exchanged for a specified period based on a notional amount.

<b>Currencies</b>
USD
EUR
GBP
<a href="#">CAD</a>

#### ***Specifications***

##### Trading Conventions:

- Buyer (Payer) pays fixed interest rate and receives floating interest rate.
- Seller (Receiver) receives fixed interest rate and pays floating interest rate.

##### Upfront Payment Dates:

- USD – T+1 through maturity
- EUR – T+1 through maturity
- GBP – T+1 through maturity
- [CAD – T+1 through maturity](#)

##### Settlement Convention:

- USD – T+2
- EUR – T+2
- GBP – T+2
- [CAD – T+2](#)

##### Swap Leg Conventions:

- The terms of Fixed for Floating IRS are based on a number of combinations of the criteria below.

###### Fixed Leg

###### Payment Frequency

Monthly, Quarterly, Semi-Annually, or Annually.

###### Day Count Convention

30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA.

###### Holiday Calendar

Applied in accordance for the country currency denoted for the instrument.

###### Business Day Convention

Modified Following with adjustment to period end dates. Business days in this convention must be valid business days for the countries denoted by the currency (EUTA, GBLO, USNY, [CATO](#)). If not, it will be the next day that is a business day on both calendars.

###### Fixed Rate

The traded interest rate yield or basis points on Trade Date.

###### Floating Leg

###### Reset Frequency

Monthly, Quarterly, or Semi-Annual.

Day Count Convention

30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA.

Holiday Calendar

Applied in accordance for the country currency denoted for the instrument.

Business Day Convention

Modified Following with adjustment to period end dates. Business days in this convention must be valid business days for the countries denoted by the currency (EUTA, GBLO, USNY, [CATO](#)). If not, it will be the next day that is a business day on both calendars.

Fixed Rate

The traded interest rate yield or basis points on Trade Date.

Interest Rate Benchmark

EUR-EURIBOR-Reuters, EUR-EURIBOR-Telerate(incoming), GBP-LIBOR-BBA, USD-LIBOR-BBA, USD-SOFR-COMPOUND, USD-BSBY, [CAD-LIBOR-BBA](#).

- Leg Computation Convention: none, flat, straight or spread exclusive.

Trade Date:

- The date on which the parties enter into the Swap transaction.

Effective Date:

- The first date from which Fixed and Floating interest amounts accrue. It is also referred to as the Start Date or the Value Date. The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.

Trade Start Type:

- Spot Starting  
A Swap whose Effective Date is 2 business days from the Trade Date (T+2).
- Forward Starting  
A Swap whose Effective Date is anything after the Effective Date for a Spot Starting Swap.
- Same Day Starting  
A Swap whose Effective Date is the same as the Trade Date (T+0).

Maturity Date:

- The final date until which Fixed and Floating amounts accrue. The Maturity Date may also be referred to as the Termination Date or End Date.

Tenor:

- The duration of time from the Effective Date to the Maturity Date. Tenors of any duration greater than 0 years to 50 years.
- Listed Tenors, also known as On-the-Run, are whole calendar year Spot Starting Contracts with a Tenor of 1 through 51 years.
- Other Tenors, also known as Off-the-Run, means any partial year Tenor (Months, Weeks, Days).

Roll Day Convention:

- The date used for determining all floating Reset Dates (other than for USD-SOFR-COMPOUND which is an overnight compounded rate). Roll Days define the beginning and end of Fixed and Floating interest accrual periods.
- For On-the-Run Contracts, the Roll Day is the same date of the month as the Effective Date. For Off-the-Run Contracts, it can be any date of the month, subject to the provisions of the Business Day Convention. Roll Day marks the start of a new interest accrual period, and is the date on which a Reset Rate takes effect (other than for USD-SOFR-COMPOUND which is an overnight compounded rate).

Floating Reset Dates:

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- Dates utilized to determine the Floating Rate amounts for each interest accrual period during the Tenor of the contract (other than for USD-SOFR-COMPOUND which is an overnight compounded rate). Except in the case of a Stub Period, the Reset Date is aligned with the floating rate frequency as determined.

First Period Fixing Date:

- For Spot Starting Swaps, the Interest Rate for the first interest period is fixed on the Trade Date, for both Floating and Fixed Rates (other than with respect to USD-SOFR-COMPOUND for which the Floating Rate is not ascertainable at such time).
- For Forward Starting Swaps, the Fixed Rate for the first interest period is fixed on the Trade Date, and the Floating Rate for the first interest period is fixed 2 business days prior to the first floating payment date, taking into account agreed non-working days (other than with respect to USD-SOFR-COMPOUND for which the Floating Rate is not ascertainable at such time).

Stub Period Rate:

- For Swaps with partial year Tenors, an interest period that is shorter than the standard underlying Floating index interest periods may occur between the Effective Date and the first or last Roll Date (known as a Stub Period). In these cases, the Interest Rate for such Stub Period is determined using linear interpolation based on the two index rates that surround the Stub Period this can be applied either at the start or end of that period: Front or Back. This is not applicable to USD-SOFR-COMPOUND, which is an overnight compounded rate.

Trade Types:

- The Platform may support the following trade types:

Outrights

An Outright Swap is where one party is the payer of the Fixed Rate and receiver of the Floating Rate and the other party is the receiver of the Fixed Rate and payer of the Floating Rate.

Spreads or Switches

A spread or a switch is the simultaneous purchase and sale of:

- two different Tenors of the yield curve (e.g. 2 year by 10 year), or
- two identical Swaps cleared at different DCOs (e.g. CME/LCH.Clearnet) ("**CME/LCH.Clearnet Spreads**").

Butterflies

Butterflies are the simultaneous purchase(s) and sale(s) of three different Tenors of the yield curve (e.g. 2 year by 5 year by 10 year).

Contract Size:

- Minimum notional size is dependent on currency and Tenor.

Quoting Convention:

- Outrights  
The interest rate yield is quoted in increments of a minimum of .000025 (1/40th of a basis point).
- Spreads and Butterflies (other than CME/LCH.Clearnet Spreads) will be quoted in basis points dependent in multiples of the increments of the underlying Outrights.
- CME/LCH.Clearnet Spreads will be quoted as described in Chapter 9.

Final Settlement Price:

- Multiple payments take place during the term of the Swap. Settlement price used for the periodic exchange of Fixed and Floating payments is based on the following factors:
- Fixed Leg
  - Payment amount on the Fixed Leg is based on the traded price and notional amounts of the Swap on Trade Date. Payment timing on the Fixed Leg is based on the Payment Frequency, Day Count Convention, Business Day Convention, and Roll Day.
- Floating Leg

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- Payment on the Floating Leg is based on the Interest Rate and notional amounts of the Swap. Payments on the Floating Leg are based on the Payment Frequency, Day Count Convention, Business Day Convention, Roll Day Convention, Spread (if any), Floating Rate Day Count Fraction and Floating Reset Dates.

Additional Payments/Fees:

- None.

Clearing:

- Certain Fixed for Floating IRS contracts are eligible to be cleared at one or more of CME, LCH.Clearnet, Eurex and JSCC. Please see: <http://www.cmegroup.com/>; <http://www.lchclearnet.com/>; <http://www.eurexclearing.com/clearing-en/>; and <http://www.jsc.co.jp/en/>.

### Rule 801(2) — Basis Swaps

A Basis Swap is an Interest Rate Swap for which settlement is in the form of periodic floating interest payments and periodic floating interest payments based on interest rate benchmarks over a term to maturity. The interest rate payments are exchanged for a specified period based on a notional amount.

Currencies
USD
EUR
GBP
CAD

### Specifications

Trading Conventions:

- Buyer (Payer) pays floating interest rate plus/minus a spread and receives floating interest rate.
- Seller (Receiver) receives floating interest rate plus/minus a spread and pays floating interest rate.

Supported Basis Combinations:

- 1M EURIBOR vs 3M EURIBOR
- 1M EURIBOR vs 6M EURIBOR
- 3M EURIBOR vs 6M EURIBOR
- 1M GBP-LIBOR vs 3M GBP-LIBOR
- 1M GBP-LIBOR vs 6M GBP-LIBOR
- 3M GBP-LIBOR vs 6M GBP-LIBOR
- 1M USD-LIBOR vs Federal Funds H.15
- 3M USD-LIBOR vs Federal Funds H.15
- 6M USD-LIBOR vs Federal Funds H.15
- 1M USD-LIBOR vs 3M USD-LIBOR
- 1M USD-LIBOR vs 6M USD-LIBOR
- 3M USD-LIBOR vs 6M USD-LIBOR
- 1M USD-LIBOR vs USD-SOFR-COMPOUND
- 3M USD-LIBOR vs USD-SOFR-COMPOUND
- 6M USD-LIBOR vs USD-SOFR-COMPOUND
- 12M USD-BSBY vs. USD-SOFR-COMPOUND
- 1M USD-BSBY vs 3M USD-BSBY
- 1M USD-BSBY vs 6M USD-BSBY
- 1M USD-BSBY vs 12M USD-BSBY
- 3M USD-BSBY vs 6M USD-BSBY
- 3M USD-BSBY vs 12M USD-BSBY
- 6M USD-BSBY vs 12M USD-BSBY

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Upfront Payment Dates:

- USD – T+1 through maturity
- EUR – T+1 through maturity
- GBP – T+1 through maturity
- [CAD – T+1 through maturity](#)

Settlement Convention:

- USD – T+1
- EUR – T+1
- GBP – T+1
- [CAD – T+1](#)

Swap Leg Conventions:

- The terms of Basis Swaps are based on a number of combinations of the criteria below.

Floating Leg 1

Payment Frequency

Monthly, Quarterly, Semi-Annually, or Annually.

Day Count Convention

30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA.

Holiday Calendar

Applied in accordance for the country currency denoted for the instrument.

Business Day Convention

Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the calendars (EUTA, GBLO, USNY, [CATO](#)). If not, it will be the next day that is a business day on both calendars.

Floating Rate

The floating interest rate yield or basis points on Trade Date.

Floating Leg 2

Reset Frequency

Monthly, Quarterly, Semi-Annual, or Annually.

Day Count Convention

30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA.

Holiday Calendar

Applied in accordance for the country currency denoted for the instrument.

Business Day Convention

Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both calendars (EUTA, GBLO, USNY). If not, it will be the next day that is a business day on calendars.

Interest Rate Benchmark

EUR-EURIBOR-Reuters, EUR-EURIBOR-Telerate (incoming), GBP-LIBOR-BBA, USD-LIBOR-BBA, USD-SOFR-COMPOUND, USD-BSBY, [CAD-LIBOR-BBA](#).

Trade Date:

- The date on which the parties enter into the Swap transaction.

Effective Date:

- The first date from which floating interest amounts accrue. It is also referred to as the Start Date or the Value Date. The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.

Trade Start Type:



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- Spot Starting  
A Swap whose Effective Date is 2 business days from the Trade Date (T+2).
- Forward Starting  
A Swap whose Effective Date is anything after the Effective Date for a Spot Starting Swap.
- Same Day Starting  
A Swap whose Effective Date is the same as the Trade Date (T+0).

**Maturity Date:**

- The final date until which Floating amounts accrue. The Maturity Date may also be referred to as the Termination Date or End Date.

**Tenor:**

- The duration of time from the Effective Date to the Maturity Date. The Facility will support Tenors of any duration greater than 0 years to 50 years.
- Listed Tenors, also referred to as On-the-Run, are whole calendar year Spot Starting or Same Day Starting Swaps with a Tenor of 1 through 15, 20, 25, 30, 35, 40, 45 and 50 years.
- Other Tenors means any whole year Tenors other than the Listed Tenors and any partial year Tenor.

**Roll Day Convention:**

- The date used for determining all floating Reset Dates (other than for USD-SOFR-COMPOUND which is an overnight compounded rate). Roll Days define the beginning and end of Floating interest accrual periods.
- For On-the-Run Swaps, the Roll Day is the same date of the month as the Effective Date. For Off-the-Run Swaps, it can be any date of the month, subject to the provisions of the Business Day Convention. Roll Day marks the start of a new interest accrual period, and is the date on which a Reset Rate takes effect (other than for USD-SOFR-COMPOUND which is an overnight compounded rate).

Note: Subject to good business days – as with all instruments, will never roll forward to the following month.

**Floating Reset Dates:**

- Dates utilized to determine the Floating Rate amounts for each interest accrual period during the Tenor of the contract (other than for USD-SOFR-COMPOUND which is an overnight compounded rate). Except in the case of a Stub Period, the Reset Date is 2 business days (USD, EUR) or zero business days (GBP) prior to the Roll Date for that interest accrual period.

**First Period Fixing Date:**

- For Spot Starting and Same Day Starting Swaps, the Interest Rate for the first interest period is fixed on the Trade Date, for both Floating Rates (other than with respect to USD-SOFR-COMPOUND for which the Floating Rate is not ascertainable at such time).
- For Forward Starting Swaps, the Floating Rate for the first interest period is fixed on the Trade Date, and the Floating Rate for the first interest period is fixed 2 business days prior to the Effective Date (other than with respect to USD-SOFR-COMPOUND for which the Floating Rate is not ascertainable at such time).

**Stub Period Rate:**

- For Swaps with partial year Tenors, an interest period that is shorter than the standard underlying Floating index interest periods may occur between the Effective Date and the first or last Roll Date (known as a Stub Period). In these cases, the Interest Rate for such Stub Period is determined using linear interpolation based on the two index rates that surround the Stub Period this can be applied either at the start or end of that period: Front or Back. This is not applicable to USD-SOFR-COMPOUND, which is an overnight compounded rate.

**Trade Types:**

- The Platform may support the following trade types:  
Outrights

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An Outright Swap is where one party is the payer of the Floating Rate 1 plus/minus a spread and receiver of the Floating Rate 2 and the other party is the receiver of the Floating Rate 1 plus/minus a spread and payer of the Floating Rate 2.

**Spreads or Switches**

A spread or a switch is the simultaneous purchase and sale of two different Tenors of the yield curve (e.g. 2 year by 10 year).

**Butterflies**

Butterflies are the simultaneous purchase(s) and sale(s) of three different Tenors of the yield curve (e.g. 2 year by 5 year by 10 year).

**Instrument Minimum and Incremental Size:**

- o Minimum notional size is dependent on currency and Tenor.
- o Block Trades  
Minimum notional size as stated by the Commission and increments dependent on currency and Tenor.

**Quoting Convention:**

- o Outrights are quoted in interest rate yield in a minimum 1/10th of a basis point increments.
- o Spreads and Butterflies are quoted in interest rate yield differential in minimum 1/10th basis point increments.

**Final Settlement Price:**

- o Multiple payments take place during the term of the Swap. Settlement price is based on the following factors, which must be specified by the parties:  
Interest rate, interest rate benchmark, notional amounts of the Swap, Payment Frequency, Day Count Convention, Business Day Convention, Roll Day Convention, Spread (if any), Floating Rate Day Count Fraction and Floating Reset Dates.

**Additional Payments/Fees:**

- o None.

**Clearing:**

- o Certain Basis Swap contracts are eligible to be cleared at one or more of CME, LCH.Clearnet, Eurex and JSCC. Please see: <http://www.cmegroup.com/>; <http://www.lchclearnet.com/>; <http://www.eurexclearing.com/clearing-en/>; and <http://www.jsc.co.jp/en/>.

**Rule 801(3) — Forward Rate Agreement (FRA)**

A Forward Rate Agreement is an Interest Rate Swap for which settlement is in the form of one fixed interest payment and one floating interest payment based on an interest rate benchmark to be paid or received on an obligation beginning at a future start date. The interest rate payments are exchanged based on a notional amount.

<b>Currencies</b>
USD
EUR
GBP
CAD

**Specifications**

**Trading Conventions**

- o Buyer (Payer) pays fixed interest rate and receives floating interest rate.
- o Seller (Receiver) receives fixed interest rate and pays floating interest rate.

**Upfront Payment Dates:**

- o USD – T+1 through maturity
- o EUR – T+1 through maturity

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- GBP – T+1 through maturity
- [CAD– T+1 through maturity](#)

Settlement Convention:

- USD – T+1
- EUR – T+1
- GBP – T+1
- [CAD – T+1](#)

Swap Leg Conventions

- The terms of FRAs are based on a number of combinations of the criteria below.

Fixed Leg

Payment Frequency

Once

Day Count Convention

30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA

Holiday Calendar

Applied in accordance with the country relating to the currency of the instrument

Business Day Convention

Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the holiday calendars of that country (EUTA, GBLO, USNY, [CATO](#)). If not, it will be the next day that is a business day on both calendars.

Fixed Rate

The traded interest rate yield or basis points on Trade Date

Floating Leg

Reset Frequency

Once

Day Count Convention

30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA

Holiday Calendar

Applied in accordance with the country relating to the currency of the instrument

Business Day Convention

Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the calendars for each country (EUTA, GBLO, USNY, [CATO](#)). If not, it will be the next day that is a business day on both respective country holiday calendars.

Interest Rate Benchmark

EUR-EURIBOR-Reuters, EUR-EURIBOR-Telerate (incoming), GBP-LIBOR-BBA, USD-LIBOR-BBA, [CAD-LIBOR-BBA](#)

Trade Date

- The date on which the parties enter into the Swap transaction.

Effective Date

- The first date from which fixed and floating interest amounts accrue. It is also referred to as the Start Date or the Value Date. The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.

Maturity Date

- The final date until which Fixed and Floating amounts accrue. The Maturity Date may also be referred to as the Termination Date or End Date. The maturity range is 3 days to 3 years, subject to the maximum Tenor listed below.

Tenor

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- The duration of time from the Effective Date to the Maturity Date Tenors will be support for any duration greater than 0 month to 12 months.
- Listed Tenors, also referred to as On-the-Run, means whole year Spot Starting or Same Day Starting Instruments with a Tenor of an integer number of months.
- Other Tenors means any Tenors other than the Listed Tenors.

#### Floating Reset Dates

- Dates utilized to determine the Floating Rate amount for the interest accrual period during the Tenor of the Instrument. Except in the case of a Stub Period, the Reset Date is adjusted business days dependent on the currency prior to the Roll Date for that interest accrual period.

#### First Period Fixing Date

- The Fixed Rate for the first interest period is fixed on the Trade Date, and the Floating Rate for the first interest period is fixed 2 business days prior to the Effective Date.

#### Trade Types

- The Platform may support the following trade types:

##### Outrights

An Outright swap is where one party is the payer of the fixed rate and receiver of the floating rate and the other party is the receiver of the fixed rate and payer of the floating rate.

##### Spreads or Switches

A spread or a switch is the simultaneous purchase and sale of two different Tenors of the yield curve (e.g. 3x6 by 9x12).

#### Instrument Minimum and Incremental Size.

- Minimum notional size is dependent on currency and Tenor.
- Block Trades. Minimum notional size as stated by the Commission and increments Dependent on currency and Tenor.

#### Quoting Convention

- Outrights are quoted in interest rate yield in minimum of .000025 increments (1/40th of a basis point).
- Spreads/Switches will be quoted in basis points dependent in multiples of the increments of the underlying Outrights.

#### Last Trading Day

- Spot Starting  
Close of business on Trade Date.
- Forward Starting  
Close of business three business days prior to the Effective Date of the swap.

#### Final Settlement Price

- Multiple payments take place during the term of the swap. Settlement price is based on the following factors, which must be specified by the parties:  
Interest rate, interest rate benchmark, notional amounts of the swap, Payment Frequency, Day Count Convention, Business Day Convention, Roll Day Convention, Spread (if any), Floating Rate Day Count Fraction, Floating Reset Dates, Discount Rate, Discount Rate Day Count Fraction and FRA Discounting/FRA Yield Discounting.

#### Additional Payments/Fees

- None.

#### Clearing

- Contracts are eligible to be cleared at CME, LCH.Clearnet, Eurex and JSCC.

Block Trades must occur outside the Order Book and in a quantity that meets or exceeds Appropriate Minimum Block Sizes set by the Commission.