

NOTICE OF LISTING OF PRODUCTS 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 products certified by this submission are the following Equity Derivatives Products: (1) OTC Equity Options, (2) Total Return Swaps and Price Return Swaps, (3) Total Return Index Swaps, (4) Variance Swaps, and (5) Dividend Swaps (the "Contracts").
3. Attached as Attachment A is a copy of the Contracts' rules.
4. The intended listing date is October 2, 2013.
5. Each 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. Each Contract is not readily susceptible to manipulation for a number of reasons: (1) the SEF's predecessor brokers have experience executing trades in this Contract, and in their experience it is not being manipulated; (2) the market is sufficiently liquid to prevent the Contract from being susceptible to manipulation; (3), the Contract is cash settled, and therefore does not present the potential for manipulation that exists in a contract that is physically settled; (4) the SEF has adopted rules in its Rulebook prohibiting any participant or customer from engaging in manipulative trading activity; (5) the SEF is required to, and will, monitor all trading on the SEF in order to identify any such manipulative activity; (7) the SEF has absolute discretion to impose on its participants and customers fines and disciplinary sanctions in the event that such manipulative activity has occurred; and (8) to the extent the Contract is based on an index, the index is calculated by a party the SEF believes to be impartial and not engaged in manipulation. The data sources for this explanation are the SEF's Rulebook and the institutional knowledge of the SEF.
6. Attached as Attachment B is a certification from the SEF that each Contract 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.

Attachment A
SEF Rule 804

Equity Derivatives Product Descriptions

Products

- OTC Equity Options
- Total Return Swaps & Price Return Swaps
- Total Return Index Swaps
- Variance Swaps
- Dividend Swaps

Product Specifications

OTC Equity Options

Equity Options are options on stock indices, giving the buyer the right to deliver or take delivery of an agreed underlying index at a future date in time for an agreed price.

Name	Quoted	Tenor
Index Options	% of Spot/ Notional	SPX 7yr atm P, SPX 5yr 7yr atm CS; SPX 4yr atm Strad
Put performance Option	% of Notional	EEM/SPY 6m 5% outperformance call – 0.75 / 1.10
Option on Realized Variance	Volatility Points	SPX dec13 call on realized variance -- strike 17.5 – 1.50 / 2.10
Barrier Options	% of Spot/ Notional	SPX dec13 DOP 100/80 1.75 / 2.00

Currencies
USD
GBP
EUR
JPY
AUD
SEK
CHF
PLN
TRY
HKD
KRW

Option Specifications

- Trading Conventions
 - Buyer - A buyer of an option will pay the option premium and in return receive the right to exercise the option as and when dictated by the option terms
 - Seller - The seller of an option receives the option premium, and in return offers to fulfil the buyers right to exercise the option as and when dictated by the option terms
- Option Terms
 - Exercise Type
 - European – The option may only be exercised on the Expiry Date

- American – The option may be exercised on any working date up to and including the expiry date
 - Exercise Date
 - Strike – This must be a value greater than or equal to 0
 - Underlying Equity Product(s) - This must be a valid, current equity product as defined by the CFTC
- Option Types
 - Put – The buyer of a Put Option receives the right to sell the underlying product(s) at the agreed strike
 - Call – The buyer of a Call Option receive the right to buy the underlying product(s) at the agreed strike
 - Strategy – This is a package of two or more Put and/or Call options
 - Exotics – This is a package of one or more non-standard options
- Contract Size
 - The minimum size available to trade on the SEF is 1 unit, and sizes are incremental in amounts of 1 unit.
- Quoting Convention
 - Options will be quoted in one of the following formats:
 - Percentage Points
 - Index Points
 - Agreed Currency Premium
 - Displayed Price
 - The quoted price for Put(i) and Call (ii) options is the price of the option
 - The quoted price for Strategy (iii) and Exotic (iv) will be the sum total of all premiums of the underlying option legs from the buyers perspective.
- Minimum and Incremental Price
 - There is no minimum price for an OTC option.
 - There is no minimum incremental price for an OTC Option
- Option Premium
 - The option premium will be the agreed contract size multiplied by the agreed contract price.
- Settlement Currency
 - The settlement currency will be a valid currency agreed at the time of the trade.
- Settlement Payment Date
 - The settlement payment date will be an agreed number of business days after the valuation date.
- Business Day Convention
 - OTC Option contracts will follow the holiday calendar(s) and business day conventions of the underlying product(s) unless otherwise agreed
- Exercise Terms
 - The terms of exercise will be agreed at the time of trade

- Reporting
 - All OTC Option trades are reported in accordance with NFA and SDR requirements
- Clearing
 - OTC Options traded on ICAP SEF are not cleared

Total Return Swaps & Price Return Swaps

The Total Return and Price Return Swap contract is an agreement where cash flows are exchanged between parties where the first party makes payments based on returns on an equity product and the counterparty makes payments of a fixed amount and/or floating amount or payments based on the returns of the equity product.

Name	Quoted	Tenor
Total Return Swap	Basis Points– (+35 / +39)	SPTR (3M/3ML)

Currencies
USD
GBP
EUR
JPY
AUD
SEK
CHF
DKK
CAD
NOK
PLN
CZK
TRY
HKD
KRW

Instrument Specifications

- Trading Conventions
 - Buyer - The buyer of a contract will pay the rate of interest on the underlying leg plus the swap premium, and in return receive the appreciation in value of the underlying equity.
 - Seller - The seller of a contract will receive the rate of interest plus the swap premium and in return pay the value of the appreciation of the underlying equity.
- TRS Leg Conventions
 - Equity Leg
 - Underlying Equity Product – This must be a valid, current Equity Product as per CFTC definitions.

- Multiplier – This will be equal at all times to the exchange multiplier of the underlying equity product (a)
- Initial Price
- Immediate – This is when the initial price is agreed at the time of trade
- Future – This is when the initial price is set at an agreed time in the future
- Fixed Fee – A fixed fee may be agreed that will be added or subtracted to price of the Equity Leg.
- Interest Rate Leg
 - Leg Type
 - Fixed
 - Rate – This will be an agreed rate.
 - Floating
 - Rate Type – This will be an agreed market interest rate
 - Rate Validation Source – The agreed source from which the Interest Rate Leg Fixings prices shall be taken.
- Tenor
 - ICAP SEF will support Tenors of any duration greater than 0 years and less than 50 years
- Trade Date
 - The trade date of the contract refers to the date on which the swap contract was agreed
- Initial Equity Valuation Date
 - The initial settlement date of the contract will be an agreed calendar date
- Equity Effective Date
 - The initial settlement date of the contract will be an agreed calendar date
- Equity Reset Frequency
 - This is an agreed period of time in any valid time integer
- Final Equity Valuation Date
 - The final valuation date of the contract will be an agreed calendar date
- Interest Rate Reset Frequency
 - This is an agreed period of time in any valid time integer
- Termination Date
 - The maturity date of the contract will be an agreed calendar date. On this date obligations under the contract no longer accrue
- Trade Types
 - Total Return Swap (TRS) – The calculation of the value of which the equity leg is based will be the appreciation/depreciation of the underlying equity leg plus any returns due from the underlying product (a).
 - Price Return Swap (PRS) – The calculation of the value of which the equity leg is based will be the appreciation/depreciation of the underlying equity leg.
- Business Day Convention

- The business day convention will be agreed to be one of the following standard convention:
 - Actual
 - Following
 - Modified Following
 - Previous
 - Modified Previous
- Contract Size
 - The minimum size available to trade on the SEF is 1 unit, and sizes are incremental in amounts of 1 unit.
- Quoting Convention
 - Contracts are quoted in basis points.
- Minimum and Incremental Price
 - There is no minimum price for a contract.
 - There is no minimum incremental price for a contract
- Reporting
 - All trades are reported in accordance with NFA and SDR requirements
- Clearing
 - Contracts traded on ICAP SEF are not cleared
- Dividend
 - If a return payment is due as part of the Contract, a formula used to calculate that return shall be agreed.

Total Return Index Swaps

The Markit TRX indices are total return swap indices referencing originally rated AAA CMBS securities issued since late 2005. TRX Indices are tradable tools allowing investors to gain exposure to cash CMBS via TRS contracts. The liquidity and standardization of TRX index contracts allow investors to accurately gauge market sentiment around the asset-class, and to take short or long positions accordingly.

Indices
TRX.NA.AAA
TRX. II

Variance Swaps

The variance swap is a product that is used to take a direct view on the volatility of an underlying equity or equity index.

Name	Quoted	Tenor
Variance Swaps	BPS - Vega	SPX dec13 Var

Currencies
USD
GBP
EUR
CHF

Instrument Specifications

- Trading Conventions
 - Buyer – The buyer of a variance swap pays a fixed rate (the Variance Strike) in exchange for a payout based on the daily realised variance
 - Seller - The seller of a variance swap receives a fixed rate (the Variance Strike) in exchange for a payout based on the daily realised variance
- Variance Leg Conventions
 - Floating Leg
 - Rate – This is the realised variance rate that is calculated on the expiration date.
 - Underlying Index - This must be a valid, current European listed index that is listed on a registered European exchange
 - Fixed Leg
 - Rate – This is the agreed fixed rate of Variance (Traded Price)
- Trade Types
 - Capped – This is when the maximum payout of the contract is capped at an agreed price
 - Uncapped – This is where there is no maximum payout on the contract
- Trade Start Types
 - Immediate – The observation period of the swap begins immediately
 - Forward – The observation period of the swap begins on an agreed date in the future
- Expiration Date
 - This is the date on which the swap expires, and the date upon which the final rate of volatility shall be calculated on using the detailed formula
- Tenor
 - ICAP SEF will support Tenors of any duration greater than 0 years and less than 50 years
- Observation Start Date

- This is an agreed trading day of the underlying either on or an agreed number of days after the date on which the contract is agreed.
- Number of Observations (N)
 - The number of observations will be the number of trading days of the underlying index between the observation start date and the expiration date
- Business Day Convention
 - The 'Target Following' business day convention will apply (If any date is a non business day, the date is moved forward to the next business day)
- Contract Size
 - Variance Swap contracts are quoted in 'Vega' amounts.
 - The minimum contract size is 1,000 of the currency of which the underlying index settles in
- Quoting Convention
 - Variance Swap contracts are quoted in volatility percentage points
- Minimum and Incremental Price
 - There is no minimum price for a Variance Swap contract
 - There is no minimum incremental price for a variance swap contract
- Variance Calculation Formula
 - The final realised rate of variance shall be calculated using the following formula:

$$\text{Return}_i = \ln \left(\frac{E_i}{E_{i-1}} \right)$$

$i = 0$ on the trade date, $i =$ number of observations of the expiration date

$E(i)$ = closing level of the index on date (i) , except for $E(0)$ which is the level of the index on the date of the first observation and $E(N)$ which is the final settlement level

- Settlement
 - Variance swaps are cash settled.
 - If the difference between the realised Variance and the Variance Strike is positive the seller pays the difference to the buyer. If the difference between the realised Variance and the Variance Strike is negative the buyer pays the difference to the seller.
 - Settlement of a Variance Swap occurs after the the expiration date and inline with the settlement convention of the underlying equity index
- Market Disruption
 - As per the 2002 Equity Definitions, a Market Disruption event is triggered if member shares of the index which account for 20% or more of the capitalisation of the index are not trading at any time in the last 30 minutes of the normal scheduled trading day. If market disruption occurs on a business day, then the close of this day will be omitted. Consequently, the Number of Observations will be reduced.
- Reporting

- All block trades must be reported to ICAP SEF as soon as is reasonable possible
- All Variance Swap trades are reported in accordance with NFA and SDR requirements
- Clearing
 - Variance swaps traded on ICAP SEF are not cleared

Dividend Swaps

Dividend swaps provide a means to expose investors directly to index and equity dividends while removing other factors from the equation.

Name	Quoted	Tenor
Dividend Swaps	Dollars of Divs	SPX 2013 Div

Currencies
USD
GBP
EUR
JPY
AUD
SEK
CHF
HKD
KRW

Instrument Specifications

- Terms
 - Underlying – The stock or index whose dividends are being bought or sold.
 - Valuation period(s) – Window(s) within which paid dividends will qualify.
 - Settlement typically occurs two business days after each period ends.
 - Fixed level(s) – At inception, this can be viewed as the expected level of dividends (per share or index equivalent) priced into the swap over the valuation period(s).
 - Fixed levels for multi-period swaps can be structured according to the dividend market term structure or flat across all periods.
 - Notional – Stipulates the size of the trade and is generally indicated by specifying the number of shares.

ATTACHMENT B -- CERTIFICATION PURSUANT TO CFTC REGULATION 40.2

The undersigned hereby certifies that each 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 September 30, 2013, 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 that reads "Gregory Compa". The signature is written in a cursive style and is positioned above a horizontal line.

By: Gregory Compa

Title: Chief Compliance Officer

Date: September 29, 2013