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 Variance Swaps (the "Contract").

3. Attached as Attachment A is a copy of the Contract's rules.

4. The intended listing date is November 26, 2013.

5. Attached as Attachment B is a certification from the SEF that the 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.

6. As required by Commission Regulation 40.2(a), the following concise explanation and analysis demonstrates that the Contract 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 guidelines in Appendix C to Part 38 of the Commission's Regulations.

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

(c) Futures Contracts Settled by Cash Settlement

- Calculation of Cash Settlement Price. The Contract is a cash-settled swap that allows a party to speculate on, or hedge risks associated with, the volatility of a specified broad-based security index (the "Index"). One leg of the Contract will pay an amount based upon the realized variance of the price changes of the Index. These price changes will be daily log returns, based upon the closing price of the specified Index. No component of the Contract is comprised of index options and the variance of the price changes of the relevant Index are not based on the price of any index options. The other leg of the swap will pay a fixed amount, which is the strike, quoted at the Contract's inception. The net cash settlement price for the Contract will be the difference between these two legs of the Contract and will be settled in cash at the expiration of the Contract. The initial underlying Indices will be the S&P 500 Index (SPX), Russell 2000 Index (RTY), NASDAQ 100 Index (NDX) and the Dow Jones Industrial Average Index (INDU). The essential terms and conditions of the Contract are attached as Attachment A.

- Contract Not Readily Susceptible to Manipulation. The Contract is not readily susceptible to manipulation for a number of reasons. The size and liquidity of the market in each of the underlying Indices is well documented. The Indices are among the most commonly followed broad-based security indices by market participants and each has a high volume of cash market transactions and a high number of market participants trading in the cash market underlying the Indices. The Indices are widely used in financial markets as benchmarks for mutual funds and other market participants and are closely watched by market participants, which make the Indices unlikely to be the subject of an attempt to manipulate the data from which each closing price of the relevant Index is derived or from which the measure of the volatility associated with the Contract's cash settlement price is calculated. Furthermore, the method of determining the cash settlement price is based on factors that are fixed at the inception of the Contract, namely the price changes in the underlying Index based upon the closing prices of the specified Index and the fixed amount quoted at the Contract's inception, thereby reducing the impact of potentially unrepresentative data. The variance calculation formula is set forth below in Attachment A.

- Independent Third-Party Pricing of Underlying Indices. The Indices are priced by independent, private-sector third-parties, namely Standard & Poor's, Russell's, NASDAQ and Dow Jones, each of whom has a financial incentive to protect the market's faith in the relevant Index. The SEF believes that each of these parties is impartial, employs appropriate safeguards against manipulation to protect the value of the Index to the market place and the relevant pricing party, and uses business practices that minimize the opportunity or incentive to manipulate the pricing of the relevant Index, the volatility of the Index that is associated with the Contract's cash settlement price or the closing prices upon which the price changes for the first leg of the Contract are based. The closing prices of each Index are publically available on a timely basis for the purposes of calculating the Contract's cash settlement price.

In addition to the foregoing, the SEF's predecessor brokers have experience executing trades in this Contract, and in their experience it is not readily susceptible to being manipulated. Furthermore, 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 absolute discretion to impose on its participants and customers fines and disciplinary sanctions in the event that such manipulative activity has occurred. The SEF also notes that there are currently futures contracts trading on the underlying Indices.

ATTACHMENT A – SEF RULE 807

Product Specifications

Variance Swaps

The variance swap is a product that is used to take a direct view on the volatility of a broad-based security 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 realized variance.
  - Seller - The seller of a variance swap receives a fixed rate (the Variance Strike) in exchange for a payout based on the daily realized variance.

- Variance Leg Conventions
  - Floating Leg
    - Rate – This is the realized variance rate that is calculated on the expiration date.
    - Underlying Index - This must be a broad-based security index, as defined by the CFTC Regulation 41.1(c).
  - 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 realized 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), expect for E0 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 realized Variance and the Variance Strike is positive the seller pays the difference to the buyer. If the difference between the realized Variance and the Variance Strike is negative the buyer pays the difference to the seller.
- Settlement of a Variance Swap occurs after the expiration date and in line 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% of more of the capitalization 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 Variance Swap trades are reported in accordance with NFA and SDR requirements.

- Clearing
  - Variance swaps traded on ICAP SEF are not cleared.

ATTACHMENT B -- 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 November 25, 2013, a copy of this submission and a notice of pending product certification of this product with the Commission.

ICAP SEF (US) LLC

Gregory Compa

By: Gregory Compa

Title: Chief Compliance Officer

Date: November 22, 2013