



December 16, 2013

Via E-mail: submissions@cftc.gov

Ms. Melissa Jurgens
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

**RE: Launch of Interest Rate Swap Sponsored Access Incentive Program
GFI Swaps Exchange LLC Submission No. 13-0010**

Dear Ms. Jurgens:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the “Act”), and Section 40.6 of the regulations promulgated by the Commodity Futures Trading Commission (the “Commission”) thereunder, GFI Swaps Exchange LLC (the “GFI SEF” or the “SEF”) hereby notifies the Commission that it is launching a new incentive program in a class of certain interest rate swaps listed for trading on GFI SEF (the “Interest Rate Swap Sponsored Access Program” or the “Program”). The product scope of the Program includes interest rate swaps in USD, GBP and EURO in tenors up through and including 40 years in the following:

- Interest Rate Swaps – fixed versus float, 0 through 40 years;
- Overnight Index Swaps (“OIS”); OIS vs. LIBOR;
- Basis Swaps in a Single Currency – (Fed Fund/LIBOR, LIBOR/LIBOR);
- MAC Swaps

Appendix A attached hereto sets forth the terms of the Program, to commence on December 31, 2013.

The proposed Program will not affect GFI SEF’s ability to perform its trade practice and market surveillance obligations under the Act. The SEF will monitor trading in the Program to prevent manipulative trading and market abuse and will coordinate with its Regulatory Service Provider on an ongoing basis to verify that adequate procedures are adopted to monitor trading by participants in the Program. The SEF reviewed the applicable core principles as set forth in the Act and determined that it is in compliance, particularly with respect to Core Principles 2, 3 and 4 as they relate to the following: Access Requirements, Prevention of Market Disruption,

Execution of Transactions, Protection of Market Participants, and Compliance with Rules and Audit Trail and Recordkeeping.

There were no substantive opposing views to the Program. GFI SEF certifies that the modifications comply with the Act and the Commission's regulations thereunder. This submission has been concurrently posted on the SEF's website at <http://www.gfigroup.com/markets/swaps-exchange/rules-notices.aspx>.

If you require any additional information regarding this submission, please contact me at (212) 968-2982.

Sincerely,

/s/ Daniel Glatter
Vice President and Assistant Secretary
GFI Swaps Exchange LLC

Attachment

APPENDIX A



GFI SWAPS EXCHANGE

Notice to Participants

Notice No.:	13-0010
Issue Date:	December 16, 2013
Effective Date:	December 31, 2013
Subject:	Interest Rate Swap Sponsored Access Incentive Program

Summary:

Announcement of the launch of the Sponsored Access incentive program for the Interest Rate Swaps.

1. Introduction

In an effort to broaden the scope of customers that will bring liquidity to the GFI Swaps Exchange LLC (“GFI SEF” or the “SEF”), and to further promote the goals of open access to swap execution facilities as envisioned under the Dodd Frank Wall Street Reform and Consumer Protection Act, GFI SEF has introduced a new incentive program in a class of certain interest rate swaps listed for trading on GFI SEF (the “Program” or the “SA Program”).

2. Description of the SA Program

On a monthly basis, GFI SEF will review electronic trading volumes effected by (i) Participants’ registered Sponsored Access Firms and (ii) Participants where such order was submitted on behalf of a Customer. Each month, Eligible Participants shall be eligible to receive predetermined fee rebates, fee discounts or a combination of the foregoing.

3. Eligible Products:

Interest rate swaps in USD, GBP and EURO in tenors up through and including 40 years in the following (collectively “Products”):

- Interest rate swaps – fixed versus float, 0 through 40 years;
- Overnight Index Swaps (“OIS”); OIS vs. LIBOR

GFI Swaps Exchange LLC (“GFI SEF”) is a wholly owned subsidiary of GFI Group Inc. GFI SEF is temporarily registered with the Commodity Futures Trading Commission as a swap execution facility. Copies of this Notice can be found on GFI SEF’s website at <http://www.gfigroup.com/markets/swaps-exchange/rules-notice.aspx>

- Basis Swaps in a single currency– (Fed Fund/LIBOR, LIBOR/LIBOR);
- MAC Swaps

4. Eligible Transactions

“Eligible Transactions” are those transactions in the Products intended for the benefit of the Participant’s Customers that result from Customers’ Orders with the following attributes:

- a. Orders must be submitted either:
 1. Electronically, to the following electronic execution systems provided by the SEF: Order Book, Request-for-MatchSM or RFQ, or
 2. Telephonically, by a Registered Trader employed by the Participant, to an employee of the SEF.
- b. Orders must be for the benefit of a Customer or registered Sponsored Access Firm that is not a Participant;
- c. The Customer’s Order must be submitted to the SEF using a Trader ID attributable to the Participant that is enrolled in the Program;
- d. Orders must be submitted by a Participant acting in an agency capacity for its Customer.¹

For the avoidance of doubt, all electronic Orders for Customers may be submitted by the Participant or its registered Sponsored Access Firm (using a Trader ID attributable to the Participant) directly onto the SEF’s electronic Order Book, electronic RFQ or Request-for-Match system using any of the following means: The SEF’s proprietary API, the SEF’s Graphical User Interface (“GUI”) (including any GUI licensed to a Participant pursuant to a “White-label” arrangement) or a third-party provided ISV utilized by Participant or its customer where such order was submitted using a Trader ID of the Participant.

5. Transactions not eligible under the Program

Transactions that result from Orders entered by Participants who are registered as either commodity pool operators, commodity trading advisors or Investment Advisors, as defined under Applicable Law, where such orders are ultimately intended for clearing and settlement into accounts that are affiliated, under common control with or majority owned by, the Participant, shall not be considered “Eligible Transactions”.

¹ For the avoidance of doubt, all Orders submitted by a Sponsored Access Firm are deemed by the SEF to be handled in an agency capacity by any Participant authorizing such Sponsored Access Firm to submit Orders.

All Orders and transactions resulting therefrom are subject to the SEF Rulebook.

6. Eligible Participants

The Program shall be open to all Participants who complete documentation with the SEF to participate in the Program and that have been appointed and accepted by the Participant to act as the Clearing Firm for the Customer or Sponsored Access Firm, as applicable.

7. Program Term

The initial term of the Program shall commence on December 18, 2013 and will conclude on December 18, 2015

8. Incentives

Participants in the Program shall be eligible to receive predetermined fee rebates on each Transaction as determined by the SEF.

9. Monitoring and Compliance with Law

All Participants and Transactions in the Program are subject to Applicable Law as such term is defined in the GFI SEF Rulebook (the “Rules”). Capitalized terms contained herein are to be given the meaning ascribed to them in the Rules.

10. Termination/Modification/Suspension

GFI SEF will monitor all trading activity and reserves the right to terminate or modify the Program at-will or may terminate or suspend any Participant from continued participation or may exclude any Transaction from incentives offered in the Program if the Participant or a Transaction conducted by a Participant or its Sponsored Access Firm materially violates the Rules or fails to meet the requirements for participation in the Program.

Questions regarding this Notice may be addressed to the following:

Department	Contact Person	Phone
Rates Sales	Matthew Guadagno	(212) 968-2297
Compliance	Bill Shields, Chief Compliance Officer	(212) 968-4122
Legal	Scott Pintoff, General Counsel	(212) 968-2954
	Dan Glatter, Assistant General Counsel	(212) 968-2982
Operations	Gene Viti, Head of Operations	(212) 968-6942
Control Desk	Ankush Rai, Control Desk Manager	(212) 968-4642