

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 Commodities Products: Soft Swaps (the "Contract") and options thereon (the "Option").
3. Attached as Attachment A is a copy of the Contract's rules and attached as Attachment B is a copy of the Option's rules.
4. The Contract and the Option are currently listed for trading on the SEF and were certified on September 29, 2013. This submission supplements the previous certification of the Contract and the Option and contains additional explanatory material. However, the substantive terms and conditions of the Contract and the Option are not being amended by this filing. The SEF intends to make this resubmission of the certification of the Contract and the Option effective on the day following submission pursuant to CFTC Reg. 40.2(a)(2).
5. Attached as Attachment C is a certification from the SEF that each Contract and Option 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 each of the Contract and the Option 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 applicable guidelines in Appendix C to Part 38 of the Commission's Regulations for contracts settled by cash settlement and options thereon.

The Contract

The Contract is a cash-settled swap that allows a party to speculate on, or hedge risks associated with, the price of one of the following underlying soft commodity products: cocoa, coffee, cotton, sugar and white sugar (each, an "Underlying Commodity"). The counterparties to the Contract exchange a fixed price on the Underlying Commodity and a floating price based on the corresponding futures contract for the Underlying Commodity. The Contract has several flexible terms, including: Underlying Commodity, Contract Size, Minimum Price Fluctuation, fixed Settlement Price, Effective Date that the Contract commences (which must be a business day), Maturity Date (also referred to as the End Date or Termination Date), Tenor, Trade Types (outright or calendar spread/switch), and Payment Frequency. The Maturity Date may be any date chosen by the parties prior to the Expiration Date for the relevant futures contract, and a Contract may mature on the basis of a spot month or deferred month futures contract. Counterparties may also choose whether the floating price will be the price of the corresponding futures contract on a specified date or the average price during the tenor of the Contract. All of the essential terms of the Contract, other than the floating price, are agreed at the Effective Date. Following is an explanation of why the Contract is not readily susceptible to manipulation in accordance with section (c) of Appendix C to Part 38.

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

Section (c) Contracts Settled by Cash Settlement

- (1) Calculation of Cash Settlement Price. One leg of the Contract will pay a fixed price for the Underlying Commodity that is established at the Effective Date and which will remain unchanged throughout the life of the Contract. The other leg of the Contract will pay a floating price that is based on the price of the corresponding futures contract at the specified Maturity Date, or alternatively the average price of a series (or a strip) of predefined fixings over the life of the contract. The price of the relevant futures contract is published by ICE Futures U.S. ("ICE") (for cocoa, coffee, cotton, sugar) and NYSE Liffe (London market) ("Liffe") (for white sugar) and is reliable, widely accepted and publicly available. On the Maturity Date, the counterparties will calculate the difference between the fixed price and the floating price and exchange a final settlement payment.
- (2) Contract Not Readily Susceptible to Manipulation. The Contract is not readily susceptible to manipulation for a number of reasons. As noted above, all of the essential terms of the Contract, other than the floating price, are agreed to at the Effective Date of the Contract, thereby reducing the impact of potentially unrepresentative data. The floating price itself is based on well-known futures contracts whose prices are published by ICE and Liffe, respectively. The size and liquidity of the market in each of the corresponding futures contracts is well documented. Each is closely followed by market participants, has a high volume of cash market transactions and a high number of market participants trading in the cash market, which make the futures contracts unlikely to be the subject of an attempt to manipulate the price upon which the Contract's cash settlement price is calculated. Accordingly, the Contract is not easily susceptible to manipulation or price distortion because the method of determining the cash settlement price is based on terms that are fixed at the Effective Date of the Contract and a reliable floating price.
- (3) Independent Third-Party Pricing of Underlying Commodities. The prices of the futures contracts upon which the floating price leg of the Contract is based are published by ICE and Liffe, respectively, and are publicly available on the exchanges' websites, thereby making an information sharing or licensing agreement unnecessary. However, the SEF will notify ICE and Liffe that the Contract is based on the relevant exchange's published prices and, upon request, will publish or report information to the relevant exchange that may be useful to that exchange in monitoring its market for the relevant futures contract for price

manipulation. Furthermore, the closing prices of the futures contracts are set by market transactions on exchanges operated by independent, private-sector third-parties, namely ICE and Liffe, respectively, each of whom has a financial incentive to protect the market's faith in the pricing of the relevant futures contracts. The SEF believes that each of these parties is impartial, employs appropriate safeguards against manipulation to protect the value of the futures contracts to the market place and the relevant exchange, and uses business practices that minimize the opportunity or incentive to manipulate the pricing of the relevant futures contract associated with the Contract's cash settlement price. The settlement price of each futures contract is publicly available on a timely basis for the purposes of calculating the Contract's cash settlement price. The settlement price for each futures contract is established by the relevant exchange on an objective basis. See ICE Cocoa Rules,¹ Coffee "C" Rules,² Cotton No. 2 Rules,³ and Sugar No. 11 Rules;⁴ Liffe Exchange Contract No. 407 White Sugar Futures Contract § 5.⁵ To the extent that the SEF's Market Regulation Department determines that there is reason to suspect manipulation or attempted manipulation with respect to the Contract that involves the underlying futures contract, it will so inform the relevant futures exchange and will seek to share information with such exchange as necessary to investigate the potential manipulation or attempted manipulation.

(4) Contract Terms and Conditions. The essential terms and conditions of the Contract are attached as Attachment A.

- **Commodity Characteristics**. The Underlying Commodities are listed in the terms and conditions.
- **Contract Size and Trading Unit**. The size of the Contract is consistent with customary transactions in each relevant futures market.
- **Cash Settlement Procedure**. The cash settlement procedures and an explanation of how the Contract is not readily susceptible to manipulation are described above.
- **Pricing Basis and Minimum Price Fluctuation**. The minimum price increment is set at the same level as the minimum price increment for the corresponding futures contract, which is equal to, or less than, the minimum price increment commonly observed in the cash market for the Underlying Commodities.
- **Maximum Price Fluctuation Limits**. The maximum price fluctuation limit is agreed to between the parties.
- **Last Trading Day**. The last trading day for a Contract is the last business day of each Contract month, which occurs on or before the publication of the prices of the relevant futures contracts.
- **Trading Months**. The maturity date of the Contract is agreed to between the parties and based on their risk management needs. The maturity date may be any day in any calendar month.
- **Speculative Limits**. None are currently required by the Commission. If and to the extent the Commission imposes speculative limits on the Contract, the limits imposed by the SEF will be the same.

¹ Available at: https://www.theice.com/publicdocs/rulebooks/futures_us/9_Cocoa.pdf.

² Available at: https://www.theice.com/publicdocs/rulebooks/futures_us/8_Coffee.pdf.

³ Available at: https://www.theice.com/publicdocs/rulebooks/futures_us/10_Cotton.pdf.

⁴ Available at: https://www.theice.com/publicdocs/rulebooks/futures_us/11_Sugar_11.pdf.

⁵ Available at: https://globalderivatives.nyx.com/sites/globalderivatives.nyx.com/files/contract_407_-_white_sugar_amends_-_03.02.14_clean.pdf.

- **Reportable Levels.** None are currently required by the Commission. If and to the extent the Commission imposes a reporting requirement based on reportable levels of the Contract imposed by the Commission, the reportable levels imposed by the SEF will be the same.
- **Trading Hours.** Trading hours are 07:00 – 16:00 (ET) Monday to Friday.

The Option

The Option is a cash-settled option based on the settlement price of the corresponding Contract, as described above. Following is an explanation of why the Option is not readily susceptible to manipulation in accordance with section (d) of Appendix C to Part 38.

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

Section (d) Options on a Contract

- (1) Option Terms and Conditions. The essential terms and conditions of the Option are attached as Attachment B and closely adhere to market practices for the underlying futures contract, making manipulation very difficult to achieve.
 - **Exercise Method**. The Option is cash settled based on the settlement price of the corresponding Contract.
 - **Exercise Procedure**. The Option's style may be Asian or European, as agreed by the parties.
 - **Strike Price Listing**. Strike prices are quoted in dollars and cents per contract.
 - **Strike Price Intervals**. Strike price intervals are as agreed to between the parties.
 - **Automatic Exercise**. An in-the-money Option is cash settled five business days after expiration.
 - **Contract Size**. The Option size is equal to the size of the underlying Contract. A put or call option traded on the SEF represents an option to assume a short or long position in the corresponding Contract, at the strike price.
 - **Option Minimum Tick**. As agreed to between the parties.
- (2) Option Expiration and Last Trading Day. The expiration date is as agreed to between the parties. The last trading day is the last business day of each contract month.
- (3) Speculative Limits. None are currently required by the Commission.
- (4) Options on Physicals Contracts. Not applicable.

* * *

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 authority to impose on its Participants and Customers fines and disciplinary sanctions in the event that such manipulative activity has occurred.

Attachment A

SEF Rule 805 (11)(a)

Product Descriptions – Soft Swaps

Soft Swaps

Contract Specification	Details										
Product Description	<p>A Soft Swap is a cash-settled contract where one party (the "buyer") is obliged to pay a predetermined fixed price to the other party (the "seller") at a specified date and the seller is obligated to pay a floating price to the buyer based on the price of a corresponding futures contract at the specified date, or alternatively the average price of a series (or a strip) of predefined fixings over the life of the contract.</p> <p>The following soft commodity products are traded at ICAP:</p> <ul style="list-style-type: none">CocoaCoffeeCottonSugarWhite Sugar (NYSE Liffe)										
Quotation	Contract prices are quoted in dollars and cents per contract.										
Units of Trading	Contract(s)										
Expiration Date	Trading shall cease at the end of the last day of the contract designated settlement period.										
Settlement Terms	Cash settled, referencing the equivalent futures contract at the ICE Futures U.S. or the equivalent exchange listed above. The floating price is settled based on the relevant futures contract on the specified settlement date.										
Minimum Price Fluctuation/Price Tick Size	<p>The minimum price fluctuation is quoted in the same minimum increments as the corresponding futures contract, currently:</p> <table><tbody><tr><td>Cocoa</td><td>\$1.00 per Metric Ton</td></tr><tr><td>Coffee</td><td>\$0.0005 per Pound</td></tr><tr><td>Cotton</td><td>\$0.0001 per Pound</td></tr><tr><td>Sugar</td><td>\$0.0001 per Pound</td></tr><tr><td>White Sugar</td><td>\$0.10 per Metric Ton</td></tr></tbody></table>	Cocoa	\$1.00 per Metric Ton	Coffee	\$0.0005 per Pound	Cotton	\$0.0001 per Pound	Sugar	\$0.0001 per Pound	White Sugar	\$0.10 per Metric Ton
Cocoa	\$1.00 per Metric Ton										
Coffee	\$0.0005 per Pound										
Cotton	\$0.0001 per Pound										
Sugar	\$0.0001 per Pound										
White Sugar	\$0.10 per Metric Ton										
Settlement Price	The settlement price will be the price agreed at the commencement of the contract, measured in increments of the applicable minimum price fluctuation.										
Contract Size	<p>1 contract is defined as follows for each product:</p> <table><tbody><tr><td>Cocoa</td><td>10 Metric Tons</td></tr><tr><td>Coffee</td><td>37,500 Pounds</td></tr><tr><td>Cotton</td><td>50,000 Pounds</td></tr><tr><td>Sugar</td><td>112,000 Pounds</td></tr><tr><td>White Sugar</td><td>50 Metric Tons</td></tr></tbody></table>	Cocoa	10 Metric Tons	Coffee	37,500 Pounds	Cotton	50,000 Pounds	Sugar	112,000 Pounds	White Sugar	50 Metric Tons
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Coffee	37,500 Pounds										
Cotton	50,000 Pounds										
Sugar	112,000 Pounds										
White Sugar	50 Metric Tons										
Effective Date	The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.										
Maturity Date	The Maturity Date may also be referred to as the Termination Date or End Date.										

Product Descriptions - Soft Swaps

Contract Specification	Details
Tenor	The duration of the time from the Effective Date to the Maturity Date.
Trade Types	Soft Products can be traded as one of the following trade type: <ul style="list-style-type: none">a) Outrightb) Spread/Switch - calendar
Last Trading Day	Trading terminates at the close of business on the last business day of each contract month.
Trading Months	All months.
Trading Hours	07:00 – 16:00 (ET) Monday to Friday
Trading Conventions	<ul style="list-style-type: none">a) Buyer (Payer): the fixed payer is the party of the contract who has bought the commodity or known to be "long."b) Seller (Receiver): the floating payer is the party of the contract who has sold the commodity or known to be "short."
Swap Leg Conventions	<ul style="list-style-type: none">a) Payment Frequency: Monthly, Quarterly, Semi-Annually, or Annuallyb) Holiday Calendar: New York and Londonc) Business Day Convention: Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the New York and London calendar. If not, it will be the next day that is a business day on both the New York and London calendar.d) Fixed Rate: The agreed rate of the product traded.
Speculative Limits	No speculative limits are currently required.
Reportable Levels	No reportable levels are currently applicable.

Attachment B

SEF Rule 805 (11)(b)

Product Descriptions – Soft Commodity Options

Soft Commodity Options

Contract Specification	Details
Product Description	<p>The ICAP SEF (US) LLC "ICAP SEF" Soft Commodity Options are listed with respect to an underlying ICAP SEF Soft Swap.</p> <p>ICAP SEF offers options based on the following:</p> <ul style="list-style-type: none">CocoaCoffeeCottonSugarWhite Sugar (NYSE Liffe)
Trading Period/Tenor	<p>ICAP SEF offers options on the following swap tenors:</p> <ul style="list-style-type: none">• Up to 60 consecutive months.• Quarter, season, calendar, and any period of consecutive monthly contracts can be registered as a strip. For example, a Q1 option is an option on Jan, an option on Feb, and an option on Mar, with each option expiring thirty calendar days before the start of the relevant contract month.
Trading Hours	24 hours a day, Monday to Friday
Quotation	Contract prices are quoted in dollars and cents per contract.
Units of Trading	Contract(s)
Expiration Date	Trading shall cease at the end of the last day of the contract designated settlement period.
Settlement Terms	<p>Cash settled 5 business days after expiration based on the settlement price of the underlying Soft Swap, which references the equivalent futures contract at the ICE Futures U.S. or the equivalent exchange listed above. Floating price of the Soft Swap is settled based on the futures contract on specified settlement date.</p> <p>For Asian style options, the payment is determined by the average underlying price over the pre-set period of time.</p> <p>For European style option, the payment is determined by the underlying price on a specific date.</p>
Minimum Price Fluctuation/Price Tick Size	The minimum price fluctuation is quoted in increments of \$0.01 cent per contract.
Settlement Price	The settlement price will be the price agreed at the commencement of the contract, measured in one cent (\$0.01) per contract.
Contract Size	1 contract is defined as follows for each product:

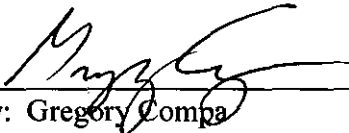
Product Descriptions - Commodities

Contract Specification	Details										
	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Cocoa</td> <td>10 Metric Tons</td> </tr> <tr> <td>Coffee</td> <td>37,500 Pounds</td> </tr> <tr> <td>Cotton</td> <td>50,000 Pounds</td> </tr> <tr> <td>Sugar</td> <td>112,000 Pounds</td> </tr> <tr> <td>White Sugar</td> <td>50 Metric Tons</td> </tr> </table>	Cocoa	10 Metric Tons	Coffee	37,500 Pounds	Cotton	50,000 Pounds	Sugar	112,000 Pounds	White Sugar	50 Metric Tons
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Coffee	37,500 Pounds										
Cotton	50,000 Pounds										
Sugar	112,000 Pounds										
White Sugar	50 Metric Tons										
Effective Date	The Effective Date of the Option must be a business day subject to the appropriate Business Day Convention.										
Maturity Date	The Maturity Date may also be referred to as the Termination Date or End Date.										
Tenor	The duration of the time from the Effective Date to the Maturity Date.										
Trade Types	<p>Soft options can be traded as one of the following trade type:</p> <ul style="list-style-type: none"> a) Put (European and Asian) b) Call (European and Asian) 										
Option Premium	<p>Option premiums must be exchanged within 2 business days of the transaction being executed.</p> <p>Option premium to be quoted and exchanged in US Dollars.</p>										
Last Trading Day	Trading terminates at the close of business on the last business day of each contract month.										
Trading Conventions	<p>Buyer Option</p> <p>Seller Option</p>										
Swap Leg Conventions	<ul style="list-style-type: none"> a) Payment Frequency: Monthly, Quarterly, Semi-Annually, or Annually b) Holiday Calendar: New York and London c) Business Day Convention: Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the New York and London calendar. If not, it will be the next day that is a business day on both the New York and London calendar. d) Fixed Rate: The agreed rate of the product traded. 										

ATTACHMENT C – 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 March 4, 2014, a copy of this submission and a notice of pending product certification of this product with the Commission.

ICAP SEF (US) LLC



By: Gregory Compa
Title: Chief Compliance Officer
Date: March 3, 2014