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April 3, 2014

**Via Email**

Ms. Melissa Jurgens  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

CONFIDENTIAL TREATMENT  
REQUESTED

**Re: U.S. Dollar Interest Rate Swap Central Limit Order Book (CLOB) Market  
Making Incentive Program  
ICAP SEF Submission No. ICAP-2014-R-2**

Dear Ms. Jurgens:

ICAP SEF (US) LLC ("ICAP" or "SEF") hereby certifies to the Commodity Futures Trading Commission ("Commission") the implementation of its U.S. Dollar Interest Rate Swap Central Limit Order Book (CLOB) Market Making Incentive Program (the "Program").

Exhibit 1 sets forth the terms of the Program.

The Program will become effective on April 18, 2014.

The purpose of the Program is to promote electronic volume in certain U.S. Dollar interest rate swaps, and the effect, if successful, will be to provide more liquidity for the trading of these swaps on the SEF's CLOB.

The Program complies with the Core Principles for swap execution facilities. Specifically, the Program complies with the requirements of impartial access in Core Principle 2 and Commission Regulation 37.202 and audit trail requirements of Core Principle 2 and Commission Regulation 37.205. In compliance with Core Principle 2 and Commission Regulation 37.200, the Program does not incentivize manipulative trading or market abuse or impact the SEF's ability to perform its trade practice and market surveillance obligations under the Commodity Exchange Act

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("CEA"), and the SEF's Market Regulation staff will monitor trading in the Program's products to prevent manipulative trading and market abuse. The Program also complies with the requirements for monitoring and trade processing in Core Principle 4 and Commission Regulation 37.401, and the recordkeeping and reporting requirements in Core Principle 10 and Commission Regulations 37.1000 and 37.1001.

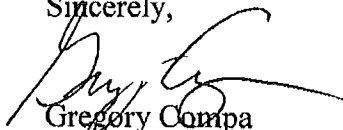
The products included in the Program are listed for trading in the open and competitive market. Participants in the Program will qualify based on the criteria set forth in Exhibit 1. The SEF has implemented systems to track Program participants' volume to ensure proper distribution of earned incentives.

ICAP certifies that the Program complies with the CEA and the Commission's Regulations thereunder.

There were no substantive opposing views to the Program.

The SEF certifies that this submission has been concurrently posted on the SEF's website.

Sincerely,



Gregory Compa  
Chief Compliance Officer  
**ICAP SEF (US) LLC**  
Harborside Financial Center  
1100 Plaza 5  
Jersey City, NJ 07311  
(212) 341-9193

# EXHIBIT 1

## U.S. Dollar Interest Rate Swap Central Limit Order Book (CLOB) Market Making Incentive Program (the "Program")

### Program Purpose

The purpose of the Program is to promote electronic volume in certain US Dollar interest rate swaps. More liquid contracts benefit all participants in the market.

### Product Scope

Instrument	Tenors
USD Spread Over Treasuries Swaps	2, 3, 5, 7, 10, 30
USD Semi – Bond Swaps	2, 3, 5, 7, 10, 30
USD Semi-Bond Spreads	2vs5, 5vs10, 10vs30
USD Semi-Bond Butterflies (1yr gaps)	5-6-7, 7-8-9, 8-9-10
USD Semi-Bond Butterflies (wider gaps)	2-5-10, 5-7-10, 10-20-30

### Eligible Participants

There is no limit to the number of participants in the Program. Each participant must be a Trading Privilege Holder ("TPH"). In order to be considered for the Program, ICAP SEF will take into account the TPH's, including the activity of its Authorized Traders and affiliated Authorized Trading Firms, (i) historical volume and experience trading the Products and similar contracts, and (ii) ability to quote two-sided markets on an electronic platform. ICAP SEF may, in its sole discretion, give such weight to each of the aforementioned factors as it deems appropriate and will not take into account the activity of a TPH's unaffiliated Authorized Trading Firm. An Authorized Trading Firm is affiliated with a TPH if the Authorized Trading Firm directly or indirectly controls the TPH, is directly or indirectly controlled by the TPH or is under common control with the TPH.

### Program Term

Start date is April 18, 2014. End date is June 30, 2015.

### Hours

8.00 a.m. to 4.30 p.m. ET

### Obligations

The SEF will monitor over the course of each month the bid-offer spread width, minimum sizes, and quoting hours to determine if a TPH meets the discount eligibility requirements of any of the three schedules in Confidential Appendix A. The instruments and discount eligibility criteria are included in Confidential Appendix A. Precise bid offer spreads can vary between the stated ranges (where a range is specified) and the SEF may also declare all qualifying bid/offer spread bands to be one price step wider in times of heightened market volatility.

### **Incentives**

The Program rewards TPHs that support liquidity in specific interest rate swap instruments. Three layers of discount schedules are offered, with discounts to be available on all electronic transaction fees in U.S. Dollar interest rate swaps traded on the CLOB for that month, to be applied retrospectively if the TPH satisfies any of the three sets of criteria. This discount is applied as a pre-payment, valid for the next month. Unused pre-payments do not roll forward.

### **Monitoring and Termination of Status**

The SEF shall monitor trading activity and TPHs', including their Authorized Traders' and affiliated Authorized Trading Firms', performance and shall retain the right to revoke Program participant status if it concludes from review that a Program participant has failed to meet its obligations or no longer meets the eligibility requirements of the Program.

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April 3, 2014

**Via Email**

Assistant Secretary of the Commission for  
FOI, Privacy and Sunshine Acts  
Compliance

Commodity Futures Trading Commission

Three Lafayette Centre

1155 21<sup>st</sup> Street, NW

Washington, D.C. 20581

Via email: [FOIASubmissions@cftc.gov](mailto:FOIASubmissions@cftc.gov) and by overnight delivery

CONFIDENTIAL TREATMENT  
REQUESTED

**Re: FOIA Confidential Treatment Request**

Ladies and Gentlemen:

ICAP SEF (US) LLC (**Applicant**) has submitted to the Commodity Futures Trading Commission (**Commission**) a rule certification pursuant to CFTC Reg. 40.6 in order to certify its U.S. Dollar Interest Rate Swap Central Limit Order Book (CLOB) Market Making Incentive Program (the "Program").

The Applicant hereby requests that Appendix A to the Program consisting of three (3) pages (**Confidential Information**) be treated as confidential in order to prevent disclosure of Applicant's trade secrets and confidential commercial and financial information upon a request under the Freedom of Information Act (**FOIA**). We request the Confidential Information be provided confidential treatment for an indefinite period.

Please promptly inform the following of any request for the Confidential Information or its contents made pursuant to FOIA or the Commission's rules so that we may substantiate the foregoing request for confidential treatment in accordance with Section 145.9 of the Commission's Regulations: Attention: General Counsel, ICAP SEF (US) LLC, Harborside Financial Centre, 1100 Plaza 5, Jersey City, NJ 07311.

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Pursuant to Part 145.9(d)(4) of the Commission's regulations, we have marked each page of the Confidential Information with the words "Confidential Treatment Requested by ICAP SEF (US) LLC".

Please contact the undersigned at 212-341-9193 with any questions regarding this matter. Thank you for your attention to this matter.

Sincerely,



Gregory Compa  
Chief Compliance Officer  
**ICAP SEF (US) LLC**  
Harborside Financial Center  
1100 Plaza 5  
Jersey City, NJ 07311

cc by email: Commodity Futures Trading Commission ([secretary@cftc.gov](mailto:secretary@cftc.gov))  
Division of Market Oversight, Commodity Futures  
Trading Commission ([dmosubmissions@cftc.gov](mailto:dmosubmissions@cftc.gov))