

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: Overnight Index Swaps (the “Contract”).
3. Attached as Attachment A is a copy of the Contract’s.
4. The Contract is currently listed for trading on the SEF and was certified on September 29, 2013. This submission supplements the previous certification of the Contract and amends the terms of the Contract by adding a new Overnight Rate to the Contract specifications. No other terms and conditions of the Contract are being amended by this filing. The SEF intends to make this resubmission of the certification of the Contract effective on the day following submission pursuant to CFTC Reg. 40.2(a)(2).
5. Attached as Attachment B is a certification from the SEF that 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 additional Overnight Rate term of 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 applicable guidelines in Appendix C to Part 38 of the Commission’s Regulations for contracts settled by cash settlement.

The Contract

The Contract is a cash-settled swap that allows a party to speculate on, or hedge risks associated with, the interbank credit markets, as represented by one of the interbank lending rates listed on Attachment A (each, an “Overnight Rate”). The counterparties to the Contract exchange a fixed rate chosen by the counterparties at the commencement of the Contract and a floating rate based on the relevant Overnight Rate over a term selected by the counterparties. All of the essential terms of the Contract, other than the payments contingent on the Overnight Rate, are agreed at the Effective Date. This submission is amending the terms of the Contract to add another Overnight Rate to the Contract’s specifications: the Repurchase Overnight Index Average Rate (“RONIA”) published by the Wholesale Market Brokers’ Association (the “WMBA”). All the other terms and conditions of the Contract remain as previously certified on September 29, 2013. Following is an explanation of why adding RONIA to the Contract does not change the determination that 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 interest rate yield or predetermined number of basis points 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 rate that is based on the Overnight Rate, which for the purposes of this submission is RONIA. RONIA is published by the WMBA and is reliable, widely accepted and relied upon by market participants.¹ On the Maturity Date, the counterparties will calculate the difference between the fixed rate and the floating rate 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 rate, are agreed to at the Effective Date of the Contract, thereby reducing the impact of potentially unrepresentative data. Interest rate products are widely used by corporations, insurance companies, banks and governments to transfer and manage interest rate risk. The size and liquidity of the market in interest rate products is well documented and the significant liquidity in interest rate swaps such as the Contract makes the Contract difficult to manipulate. The floating rate of the Contract is based on RONIA, which is a widely used interest rate benchmark that tracks actual market overnight funding rates by calculating a weighted average rate of all secured GBP overnight cash transactions executed in London by contributing WMBA member firms.² RONIA represents the weighted average overnight deposit rate for each business day, with each rate in the average weighted by the principal amount of overnight repurchase agreements which were made on that day. The calculation of RONIA is based only on actual verifiable transactions rather than notional market rates submitted by market participants, making RONIA itself not readily susceptible to manipulation. Furthermore, RONIA 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 RONIA 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 rate.

¹ See http://www.wmba.org.uk/pages/index.cfm?page_id=33&title=ronia.

² The member firms contributing to RONIA currently are ICAP plc, BGC Partners, Martin Brokers (UK) Ltd., Tradition (UK) Ltd. and Tullett Prebon plc.

- (3) Independent Third-Party Pricing of Underlying Commodities. For this submission, the Overnight Rate used to determine the exchange of cash flows under the Contract is RONIA. RONIA is published by the WMBA at 17:00 London Time each day, with full historical data made available back to January 2007. A subscription is required to view RONIA the day it is published, although RONIA is also available via Thompson Reuters and Bloomberg and RONIA is publicly available the next day in the Financial Times. The calculation of RONIA is based on comprehensive, well-established and transparent rules.³ The indices published by the WMBA, including RONIA, SONIA and EURONIA, are widely accepted by market participants as reliable indices. The SEF believes that the WMBA is impartial, employs appropriate safeguards against manipulation to protect the value of RONIA and other WMBA indices, and uses business practices that minimize the opportunity or incentive to manipulate the reference index associated with the Contract's exchange of cash flows. Furthermore, calculation of RONIA is based only on actual verifiable transactions rather than notional market rates submitted by market participants, making RONIA and its calculation very different than other indices, such as LIBOR, that are based on data submitted by interbank dealers. RONIA eligible transactions are Delivery by Value transactions between the contributing WMBA member firms and all counterparties. There is no minimum transaction size. This broad category of actual transactions that make up RONIA, and the straightforward method of weighting such transactions, contribute to RONIA not being readily susceptible to manipulation. 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 RONIA, it will so inform WMBA and will seek to share information 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 Overnight Rates 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 adding RONIA to the Contract's terms does not change that the Contract is not readily susceptible to manipulation are described above.
 - **Pricing Basis and Minimum Price Fluctuation.** As agreed to between the parties.
 - **Maximum Price Fluctuation Limits.** The maximum price fluctuation limit is agreed to between the parties.
 - **Last Trading Day.** As agreed to between the parties.
 - **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.
 - **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.

³ See Repurchase Overnight Index Average – Specification, available at: http://www.wmba.org.uk/pages/index.cfm?page_id=33&title=ronia.

- **Trading Hours.** Trading hours are 07:00 – 16:00 (ET) Monday to Friday.

Attachment A

SEF Rule 801 (4)

Product Descriptions – Overnight Index Swaps

Overnight Index Swaps

Contract Specification	Details
Product Description	An Overnight Index Swap is an interest rate swap for which settlement is in the form of periodic fixed interest payments and periodic floating interest payments based on an overnight rate being exchanged for a fixed interest rate over a term to maturity. The interest rate payments are exchanged for a specified period based on a notional amount.
Currencies	<p>The interest rate cash flows are net settled in the following major currencies on fixing date:</p> <p>USD AUD ILS EUR CHF CZK JPY SEK HUF GBP DKK NZD CAD PLN RUB</p>
Trading Conventions	<ul style="list-style-type: none">• Buyer (Payer) pays fixed interest rate and receives floating interest rate.• Seller (Receiver) receives fixed interest rate and pays floating interest rate.
Swap Leg Conventions	<p>The terms of Fixed vs. Floating Interest Rate Swaps are based on a number of combinations of the criteria below.</p> <ul style="list-style-type: none">• Fixed Leg<ul style="list-style-type: none">○ Payment Frequency<ul style="list-style-type: none">▪ At Maturity Date, Annually, semi-annual, Quarterly, or monthly.○ Day Count Convention<ul style="list-style-type: none">▪ Actual/360, actual/365, 360/360, 30/360, 30E/360, Actual Fixed/365, actual /366, actual / actual○ Holiday Calendar<ul style="list-style-type: none">▪ Applied in accordance for the country currency denoted for the instrument○ Business Day Convention<ul style="list-style-type: none">▪ Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the calendars. If not, it will be the next day that is a business day on both calendars.○ Fixed Rate<ul style="list-style-type: none">▪ The traded interest rate yield or basis points on Trade Date• Floating Leg<ul style="list-style-type: none">○ Reset Frequency<ul style="list-style-type: none">▪ Daily○ Day Count Convention<ul style="list-style-type: none">▪ Actual/360, actual/365, 360/360, 30/360, 30E/360, Actual Fixed/365, actual /366, actual / actual○ Holiday Calendar

Product Descriptions – Overnight Index Swaps

Contract Specification	Details
	<ul style="list-style-type: none"> <ul style="list-style-type: none"> <ul style="list-style-type: none"> ▪ Applied in accordance for the country currency denoted for the instrument ○ Business Day Convention <ul style="list-style-type: none"> ▪ Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both calendars. If not, it will be the next day that is a business day on both calendars. ○ Overnight Rate <ul style="list-style-type: none"> ▪ Federal Funds, EONIA, SONIA, AONIA, CANADA OIS, TIS, PRIBOR, CITA, BUBOR, TELBOR01, TONAR, RBNZ02, POLONIA, MOSC, STINA, BRIBOR 01, TIBOR, RONIA
Effective Date	The first date from which fixed and floating interest amounts accrue. It is also referred to as the Start Date or the Value Date. The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.
Trade Start Type	<ul style="list-style-type: none"> • Spot Starting <ul style="list-style-type: none"> ○ A swap whose Effective Date is 2 business days from the Trade Date (T+2). • Forward Starting <ul style="list-style-type: none"> ○ A swap whose Effective Date is anything after the Effective Date for a Spot Starting swap. • Same Day Starting <ul style="list-style-type: none"> ○ A swap whose Effective Date is the Trade Date (T+0) • Day +1 Starting <ul style="list-style-type: none"> ○ A swap whose Effective Date is the Trade Date (T+1)
Maturity Date	The final date until which Fixed and Floating amounts accrue. The Maturity Date may also be referred to as the Termination Date or End Date.
Tenor	<p>The duration of time from the Effective Date to the Maturity Date. The Exchange will support Tenors of any duration greater than 0 years to 50 years.</p> <ul style="list-style-type: none"> • Listed Tenors, also referred to as On-the-Run, means whole year Spot Starting or Same Day Starting Instruments with a Tenor of 1 through 15, 20, 25, 30, 35, 40, 45 and 50 years. • Other Tenors means any whole year Tenors other than the Listed Tenors and any partial year Tenor.
Roll Day Convention	<p>The date used for determining all fixed and floating Reset Dates. Roll Days define the beginning and end of Fixed and Floating interest accrual periods.</p> <ul style="list-style-type: none"> • For On-the-Run Instruments, the Roll Day is the same date of the month as the Effective Date. For Off-the-Run Instruments, it can be any date of the month, subject to the provisions of the Business Day Convention. Roll Day

Product Descriptions – Overnight Index Swaps

Contract Specification	Details
	marks the start of a new interest accrual period, and is the date on which a Reset Rate takes effect.
Floating Reset Dates	Dates utilized to determine the Floating Rate amounts for each interest accrual period during the Tenor of the Instrument. Except in the case of a Stub Period, the Reset Date is adjusted business days dependent on the currency prior to the Roll Date for that interest accrual period.
First Period Fixing Date.	<ul style="list-style-type: none">• For Spot Starting and Same Day Starting swaps, the Interest Rate for the first interest period is fixed on the Trade Date, for both Floating and Fixed Rates.• For Forward Starting swaps, the Fixed Rate for the first interest period is fixed on the Trade Date, and the Floating Rate for the first interest period is fixed 2 business days prior to the Effective Date
Stub Period Rate	For swaps with partial year Tenors, an interest period that is shorter than the standard underlying Floating index interest periods may occur between the Effective Date and the first or last Roll Date (known as a Stub Period). In these cases, the Interest Rate for such Stub Period is determined using linear interpolation based on the two index rates that surround the Stub Period this can be applied either at the start or end of that period: Front or Back.
Trade Types	<p>The Platform may support the following trade types:</p> <ul style="list-style-type: none">• Outrights<ul style="list-style-type: none">○ An Outright swap is where one party is the payer of the fixed rate and receiver of the floating rate and the other party is the receiver of the fixed rate and payer of the floating rate.• Switches also known as Spreads<ul style="list-style-type: none">○ These are the simultaneous purchase and sale of two different Tenors of the yield curve (e.g. 2 year by 10 year).• Butterflies<ul style="list-style-type: none">○ Butterflies are the simultaneous purchase(s) and sale(s) of three different tenors of the yield curve (e.g. 2 year by 5 year by 10 year).
Instrument minimum and incremental Size.	<ul style="list-style-type: none">• Minimum notional size is dependent on currency and tenor• Block Trades<ul style="list-style-type: none">○ Minimum notional size as stated by the CFTC and increments dependent on currency and tenor.
Quoting Convention	<ul style="list-style-type: none">• Outrights are quoted in interest rate yield in minimum of 1/40th of a basis point increments.• Spreads and Butterflies will be quoted in basis points dependent in multiples of the increments of the underlying Outrights

Product Descriptions – Overnight Index Swaps

Contract Specification

Details

Last Trading Day

- Spot Starting
 - Close of business on Trade Date.
- Forward Starting
 - Close of business three business days prior to the Effective Date of the swap.

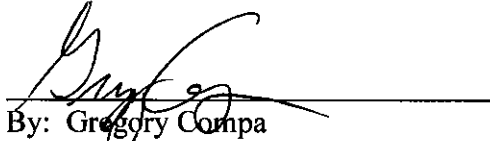
Block Trades

Block Trades must occur outside the CLOB and in a quantity that meets or exceeds CFTC thresholds.

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 April 11, 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: April 10, 2014