

## 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: Commodity Index 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 amends the terms of the Contract and the Option by adding a new Commodity Index (as defined below) to the specifications of the Contract and the Option. No other terms and conditions of the Contract or the Option are 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 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 Commodity Index term 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.

## The Contract

The Contract is a cash-settled swap that allows a party to speculate on, or hedge risks associated with, a broad range of commodity sectors, as represented by one of the commodity indices listed on Attachment A (each, an "Commodity Index"). 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 Commodity Index over a term selected by the counterparties. All of the essential terms of the Contract, other than the payments contingent on the Commodity Index, are agreed at the Effective Date. This submission is amending the terms of the Contract to add another Commodity Index to the Contract's specifications: the Credit Suisse Commodity Benchmark Index ("CSCB") published by Credit Suisse Group AG ("Credit Suisse"). All the other terms and conditions of the Contract remain as previously certified on September 29, 2013. Following is an explanation of why adding CSCB 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 price 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 Commodity Index 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 CSCB is published by Credit Suisse 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 a publically available and well-known commodity benchmark index published by Credit Suisse under Bloomberg ticker CSIX generally, with additional pricing versions such as the CSCB Total Return Index, CSCB Excess Return Index and CSCB Price Return Index published under CSIXTR, CSIXER and CSIXPR, respectively.<sup>1</sup> The Contract will not be based on any sub-index of the CSCB. The CSCB itself is composed of a broad and comprehensive selection of commodity futures contracts traded on multiple exchanges.<sup>2</sup> The size and liquidity of the market in each of the corresponding futures contracts is well documented. The CSCB is closely followed by market participants and is composed of a large number of underlying futures contracts, with a high volume of transactions and a high number of market participants trading in the cash market which make the CSCB 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. For this submission, the Commodity Index used to determine the exchange of cash flows under the Contract is the CSCB. The CSCB is based on comprehensive, well-established and transparent rules that govern, among other things, the selection of the futures contracts included in the index, the

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<sup>1</sup> See [https://www.cscbindex.com/cscbindex/en/where\\_to\\_find\\_bloomberg.jsp](https://www.cscbindex.com/cscbindex/en/where_to_find_bloomberg.jsp).

<sup>2</sup> See [https://www.cscbindex.com/cscbindex/en/kf\\_target\\_weights\\_comparison.jsp](https://www.cscbindex.com/cscbindex/en/kf_target_weights_comparison.jsp).

weighting and rebalancing of the index, and the index calculation procedures.<sup>3</sup> The CSCB is widely accepted by market participants as a reliable index. The SEF believes that Credit Suisse is impartial, employs appropriate safeguards against manipulation to protect the value of the CSCB, 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, the development and management of the CSCB is rules-based, therefore making it difficult for individuals or entities to change the selection process of the securities and the calculation of amounts due under the Contract. The CSCB is comprised of a broad category of futures contracts that further make the index not 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 the CSCB, it will so inform Credit Suisse 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 Commodity Indices are listed in the terms and conditions.
- **Contract Size and Trading Unit.** The size of the Contract is consistent with customary transactions in the market.
- **Cash Settlement Procedure.** The cash settlement procedures and an explanation of how adding CSCB 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.** The minimum price fluctuation is quoted in increments of .5 basis points.
- **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 Maturity Date of the Contract, which is set by the counterparties.
- **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.
- **Trading Hours.** Trading hours are 07:00 – 16:00 (ET) Monday to Friday.

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<sup>3</sup> See the Credit Suisse Commodity Index Framework Operating Manual, available at: [https://www.cscbindex.com/cscbindex/img/csci\\_opermanual\\_a\\_mar2014.pdf](https://www.cscbindex.com/cscbindex/img/csci_opermanual_a_mar2014.pdf); and the Credit Suisse Commodity Index Framework Operating Manual — The Credit Suisse Commodity Benchmark (CSCB), available at: [https://www.cscbindex.com/cscbindex/img/csci\\_opermanual\\_b\\_dec2013.pdf](https://www.cscbindex.com/cscbindex/img/csci_opermanual_b_dec2013.pdf).

## 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 commodity index, 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.

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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 (10)(a)

## Product Descriptions – Commodity Index Swaps

### Commodity Index Swaps

<b>Contract Specification</b>	<b>Details</b>
Product Description	A Commodity Index 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 Commodity Index at the specified date, or alternatively the average price of a series (or a strip) of predefined fixings over the life of the contract.
Indices	<p>The following Commodity Index products are traded at ICAP:</p> <ul style="list-style-type: none"><li>Commodity Index – settled upon specified S&amp;P Goldman Sachs Commodity Index</li><li>Commodity Index – settled upon specified Dow-Jones UBS Commodity Index</li><li>Commodity Index – settled upon specified Roger Index</li><li>Commodity Index – settled upon specified S&amp;P Goldman Sachs Commodity Sub-Index</li><li>Commodity Index – settled upon specified Dow-Jones UBS Commodity Sub-Index</li><li>Commodity Index – settled upon specified Credit Suisse Commodity Benchmark Index</li></ul>
Quotation	Basis Points
Units of Trading	Notional Value of the Swap
Expiration Date	Trading shall cease on at the end of the designated swap settlement period.
Settlement Terms	Cash settled.
Minimum Price Fluctuation/Price Tick Size	The minimum price fluctuation is quoted in increments of .25 Basis Points.
Settlement Price	The settlement price will be the published price of the publically available index, measured in .001 index points.
Contract Size	The minimum contract size is 5 million USD.
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.
Tenor	<p>The duration of time from the Effective Date to the Maturity Date.</p> <p>The Contract terms available to be traded include from 1 day – 5 years.</p>
Roll Day Convention	The date used for determining all fixed and floating Reset Dates.
Trade Types	Outrights
Last Trading Day	Trading terminates at the close of business on the last business day of each contract month.

## Product Descriptions – Commodity Index Swaps

<b>Contract Specification</b>	<b>Details</b>
Trading Conventions	<ul style="list-style-type: none"><li>(a) Buyer (Payer), the fixed payer is the party of the contract who has bought the commodity or known to be 'long.'</li><li>(b) Seller (Receiver), the floating payer is the party of the contract who has sold the commodity or known to be 'short.'</li></ul>
Swap Leg Conventions	<ul style="list-style-type: none"><li>(a) Payment Frequency. Monthly, Quarterly, Semi-Annually, or Annually.</li><li>(b) Holiday Calendar. New York and London.</li><li>(c) Business Day Convention. Modified Following with adjustment to period and 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.</li><li>(d) Fixed Rate. The agreed rate of the product traded.</li></ul>
Options Available	Contracts for Options will be available for each of the Commodity Index Products, quoted in percentage of notional value.

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Attachment B

SEF Rule 805 (10)(b)



## Product Descriptions – Commodity Index Options

### Commodity Index Options

<b>Contract Specification</b>	<b>Details</b>
Product Description	<p>The ICAP SEF (US) LLC "ICAP SEF" Commodity Index Options are listed with respect to an underlying ICAP SEF Commodity Index Swap.</p> <p>ICAP SEF offers options based on the following:</p> <ul style="list-style-type: none"><li>Commodity Index – settled upon specified S&amp;P Goldman Sachs Commodity Index</li><li>Commodity Index – settled upon specified Dow-Jones UBS Commodity Index</li><li>Commodity Index – settled upon specified Roger Index</li><li>Commodity Index – settled upon specified S&amp;P Goldman Sachs Commodity Sub-Index</li><li>Commodity Index – settled upon specified Dow-Jones UBS Commodity Sub-Index</li><li>Commodity Index – settled upon specified Credit Suisse Commodity Benchmark Index</li></ul>
Trading Period/Tenor	<p>ICAP SEF offers options on the following swap tenors:</p> <ul style="list-style-type: none"><li>• Up to 60 consecutive months.</li><li>• 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.</li></ul>
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 Commodity Index Swap.</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 \$0.0025 per contract.
Settlement Price	The settlement price will be the published price of the publically available index, measured in .001 index points.

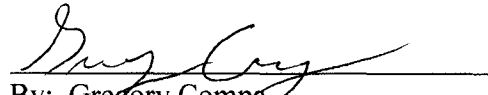
## Product Descriptions – Commodity Index Options

<b>Contract Specification</b>	<b>Details</b>
Contract Size	The minimum contract size is 5 million USD.
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	The options can be traded as one of the following trade types: <ul style="list-style-type: none"><li>a) Put (European and Asian)</li><li>b) Call (European and Asian)</li></ul>
Option Premium	Option premiums must be exchanged within 2 business days of the transaction being executed.  Option premium to be quoted and exchanged in US Dollars.
Last Trading Day	Trading terminates at the close of business on the last business day of each contract month.
Trading Conventions	Buyer Option Seller Option
Swap Leg Conventions	<ul style="list-style-type: none"><li>a) Payment Frequency: Monthly, Quarterly, Semi-Annually, or Annually</li><li>b) Holiday Calendar: New York and London</li><li>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.</li><li>d) Fixed Rate: The agreed rate of the product traded.</li></ul>

**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 April 24, 2014, a copy of this submission and a notice of pending product certification of this product with the Commission.

ICAP SEF (US) LLC

A handwritten signature in black ink, appearing to read "Gregory Compa", is written over a horizontal line.

By: Gregory Compa

Title: Chief Compliance Officer

Date: April 23, 2014