



ICAP Global Derivatives Limited  
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London  
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July 17, 2018

**Submitted via the CFTC Portal**

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

Re: *ICAP Global Derivatives Limited – Regulation 40.6(a) Rule Certification – Notification of Amendments to IGDL Discount Structure Appendix (IGDL-2018-R-2)*

To Whom It May Concern:

Pursuant to Section 5c(c) of the Commodity Exchange Act, as amended (the “Act”), and Section 40.6(a) of the regulations of the U.S. Commodity Futures Trading Commission (the “Commission”), ICAP Global Derivatives Limited (“IGDL”), a registered swap execution facility, hereby notifies the Commission that it wishes to amend the IGDL SEF Discount Structure Appendix to its fee schedule (the “IGDL Discount Structure Appendix”) as described in Exhibit A. The amended IGDL Discount Structure Appendix will become effective on July 31, 2018.

Pursuant to Commission Regulation 40.6, this submission includes:

- (i) A concise explanation and analysis of the amended IGDL Discount Structure Appendix and its compliance with applicable provisions of the Act, attached as Exhibit A;
- (ii) A clean copy of the amended IGDL Discount Structure Appendix, attached as Exhibit B; and
- (iii) A copy of the amended IGDL Discount Structure Appendix marked to show changes to the version currently in effect (the “Marked IGDL Discount Structure Appendix”), attached as Exhibit C.

IGDL hereby certifies that (i) the amendment complies with the requirements of the Act and Commission regulations thereunder, and (ii) a notice and copy of this submission is being concurrently posted on IGDL’s website. IGDL is not aware of any substantive opposing views expressed with respect to this filing.

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Please contact Brian D. Donnelly, Chief Compliance Officer, at (201) 984-6956 or by email at [bddonnelly@tullettprebon.com](mailto:bddonnelly@tullettprebon.com) with any questions regarding this matter.

Very truly yours,

ICAP Global Derivatives Limited

By: 

Name: Brian Donnelly

Title: Chief Compliance Officer

Date: July 17, 2018

Enclosures

cc: CFTC Division of Market Oversight (Email: [dmosubmissions@cftc.gov](mailto:dmosubmissions@cftc.gov))  
Nancy Markowitz, CFTC Division of Market Oversight (Email: [nmarkowitz@cftc.gov](mailto:nmarkowitz@cftc.gov))

Secretary of the Commission  
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**EXHIBIT A**

Explanation of Amendments to IGDL Discount Structure Appendix

IGDL has amended the IGDL Discount Structure Appendix to provide that “Brokerage Discounts for Voice” will be based off of and apply to (i) brokerage accrued by a Participant for all transactions executed by that Participant using Voice RFQ and (ii) all transaction fees accrued by the Participant for all transactions transacted using Broker-entered orders (*i.e.*, orders entered by an Execution Specialist). IGDL has also amended the IGDL Discount Structure Appendix to make certain clean-up and clarifying changes.

IGDL has reviewed the swap execution facility core principles (“Core Principles”) as set forth in the Act and has determined that each of the foregoing changes complies with the requirements of impartial access in Core Principle 2 and Commission Regulation 37.202 because all fees will be applied in an impartial, fair and non-discriminatory manner.

Secretary of the Commission  
July 17, 2018

**EXHIBIT B**

Amended IGDL Discount Structure Appendix



# IGDL SEF Discount Structure Appendix

31 July 2018

## IGDL Discount Structure

<b>Brokerage Discounts for i-Swap</b>	
<b>Brokerage Discounts</b>	<ul style="list-style-type: none"> <li>• Standard i-Swap rate is 70% of post 12pm London voice rate</li> <li>• Trader-entered and Broker-entered transactions are eligible to offset i-Swap minimum fees</li> </ul>

<b>Brokerage Discounts for Voice</b>		
<b>Brokerage Discounts</b> <i>(thresholds based off and discounts applied to gross voice execution brokerage in the current month)</i>	<b>Monthly Threshold</b>	<b>Discount</b>
	\$75,000 to \$149,999	5%
	\$150,000 to \$249,999	10%
	\$250,000 or Greater	20%

<b>i-Swap Streaming Program</b>		
<b>Streaming Tiers and Discounts</b> <i>(applied to gross voice execution brokerage in following month)</i>	<b>Premium Tier</b>	
	<u>Rank</u>	<u>Discount</u>
	#1	15%
	#2	13%
	#3	12%
	Rest	10%
<b>Base Tier</b>		
5% for Base Tier Qualifying Participants		

## Key Notes: IGDL Discount Structure

### **For Brokerage Discounts on Voice:**

1. Discounts are determined by combining New York and London gross voice execution brokerage and applied to activity during both London and New York hours as a rebate at the end of the month.
2. “Gross voice execution brokerage” means in respect of a Participant (i) brokerage accrued by the Participant for all transactions executed using Voice RFQ and (ii) all transaction fees accrued by the Participant for all transactions transacted using Broker-entered orders, including brokerage on Clearing House Basis Swaps transacted using Voice RFQ and transaction fees for Clearing House Basis Swaps transacted using Broker-entered orders.
3. Thresholds that determine the amount of the discount are calculated based on, and discounts are applied to, the gross voice execution brokerage accrued by a Participant for the current month.

### **For i-Swap fees (as described on the Trade Execution Fee Card tab of the IGDL SEF Fee Card):**

1. Calculation of “Total Monthly Electronic Fees” for i-Swap are the greater of the following:
  - a. “Trader-entered” transaction fees plus “Broker-entered” transaction fees<sup>1</sup>; or
  - b. Minimum TPH i-Swap Front End User Minimum Fee<sup>2</sup>
2. The i-Swap invoice will reflect the Total Monthly Electronic Fees (as defined above) less any Broker-entered transaction fees.

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<sup>1</sup> Trader-entered and Broker-entered are defined on the “Notes” tab of the ICAP Global Derivatives Limited Trade Execution Fee Card. This calculation includes fees for Clearing House Basis Swaps.

<sup>2</sup> See Minimum Fees on the Fees tab of the IGDL SEF Fee Card

## i-Swap Streaming Program

### Summary

IGDL offers additional discounts that will be applied towards a Participant's gross voice execution brokerage for a particular month based on a Participant's streaming activity on i-Swap for LCH-cleared Medium Term Interest Rate Swap instruments. IGDL offers two streaming tiers: Premium Streaming Tier and Base Streaming Tier. Participants can obtain discounts in the Base Streaming Tier by meeting the streaming requirements for the covered instruments set out below in the relevant table (such Participants, "Base Tier Qualifying Participants"). Additionally, Participants are eligible to achieve greater discounts by meeting the requirements in the Premium Streaming Tier. Discount percentage for those that meet the Premium Streaming Tier requirements is based on the Participant's final rank in the League Table. The League Table rankings are computed by IGDL using the below defined League Table Methodology.

Discount achieved in a given month in either the Premium Streaming Tier or Base Streaming Tier will be applied to the following month's gross voice execution brokerage.

### Streaming Tiers

#### Premium Streaming Tier

Instrument set	Total instruments required	Tenors	Max Avg Spread (per instrument)	Min # of Instruments	% of Day Quoted @ Max Spread (per instrument)
Spread-Overs	24	2, 3, 5, 7, 10, 12, 15, 20, 30	1	0	60%
Semi-Bonds		2, 3, 5, 7, 10, 12, 15, 20, 30	0.8	0	
Primary Semi-Bond Strategies		2x3, 2x5, 2x10, 5x7, 5x10, 5x30, 10x30, 2x3x5, 2x5x10, 5x10x30	0.8	5	
Semi-Bond Strategies		3x4x5, 5x6x7, 5x7x10, 7x8x9, 8x9x10, 10x12x15, 10x15x20, 10x15x30, 10x20x30, 20x25x30	0.5	7	
Spread-Over Switches		2x3, 2x5, 5x7, 5x10, 5x30, 10x30	1	0	

#### Base Streaming Tier

Instrument set	Total instruments required	Tenors	Max Avg Spread (per instrument)	Min # of Instruments	% of Day Quoted @ Max Spread (per instrument)
Spread-Overs	10	2, 3, 5, 7, 10, 12, 15, 20, 30	1	0	40%
Semi-Bonds		2, 3, 5, 7, 10, 12, 15, 20, 30	1	0	
Primary Semi-Bond Strategies		2x3, 2x5, 2x10, 5x7, 5x10, 5x30, 10x30, 2x3x5, 2x5x10, 5x10x30	1	0	



## Discount Tier Hours

Any discounts achieved will be applied to the rate in effect during the hours set forth in the following table. Base and Premium Streaming Tiers will be calculated independently in each location using the following hours (*i.e.*, IGDL will calculate rankings for the 7:30 am LDN to 7:00 am NY time period and rankings for the 7:00 am NY to 5:00 pm NY time period).

Calculation Time	Applicable Rate Discounted
7:30 am LDN to 7:00 am NY	Before 12:00 pm LDN Rate
7:00 am NY to 5:00 pm NY	After 12:00 pm LDN Rate

## Definitions

<b>League Table</b>	A table that ranks each Participant based on certain performance metrics
<b>Average Spread</b>	Streaming League Table metric computed as the average Bid/Offer spread when a two-way quote is present during the given period. This is measured on a per instrument basis.
<b>% of Day Quoted</b>	Streaming League Table metric computed as the percentage of the measured period (the “Day”) when the Participant quoted a Bid/Offer. This is measured on a per instrument basis.
<b>Average Size</b>	Streaming League Table metric computed as the average Bid/Offer size when at least one quote is present during the given period. This is measured on a per instrument basis.

## League Table Methodology

League Table rank in the Premium Streaming Tier is computed using Average Spread, % of Day Quoted and Average Size metrics on a per instrument basis during the Calculation Time.

- The score per instrument is computed as follows:

$$\begin{aligned} \text{Instrument's Score} = & 40\% * (\text{Average Spread}) \\ & + 35\% * (\% \text{ of Day Quoted}) \\ & + 25\% * (\text{Average Size}) \end{aligned}$$

- The Participant's final score is computed as the average of all Instruments Scores. Each Participant is ranked on their computed final score.

Secretary of the Commission  
July 17, 2018

**EXHIBIT C**

Marked IGDL Discount Structure Appendix



201616 Exhibit C

## GDL-SEF-Discount Structure Appendix

~~1 January 2017~~ 31 July 2018

## IGDL Discount Structure

Brokerage Discounts for i-Swap	
Brokerage Discounts	<ul style="list-style-type: none"> <li>Standard i-Swap rate is 70% of post 12pm London voice rate</li> <li>Trader-entered and Broker-entered transactions are eligible to offset i-Swap minimum fees</li> </ul>

Brokerage Discounts for Voice		
Brokerage Discounts <i>(thresholds based off and discounts applied to <del>voice</del> gross <u>voice execution</u> brokerage <sup>‡</sup> in the current month)</i>	Monthly Threshold	Discount
	\$75,000 to \$149,999	5%
	\$150,000 to \$249,999	10%
	\$250,000 or Greater	20%

i-Swap Streaming Program		
Streaming Tiers and Discounts <i>(applied to <del>voice</del>-gross <u>voice execution</u> brokerage in following month)</i>	Premium Tier	
	<u>Rank</u>	<u>Discount</u>
	#1	15%
	#2	13%
	#3	12%
	Rest	10%
	Base Tier	
<u>5% for Base Tier</u> Qualifying Participants <del>will receive 5% Discount</del>		

<sup>‡</sup>Voice brokerage includes all USD Medium Term Fixed Floating Interest Rate Swaps

## Key Notes: IGDL Discount Structure

### For Brokerage Discounts on Voice<sup>2</sup>:

1. Discounts are determined by combining New York and London gross voice execution brokerage and applied to activity during both London and New York hours as a rebate at the end of the month.
  2. “Gross voice execution brokerage” means in respect of a Participant (i) brokerage accrued by the Participant for all transactions executed using Voice RFQ and (ii) all transaction fees accrued by the Participant for all transactions transacted using Broker-entered orders, including brokerage on Clearing House Basis Swaps transacted using Voice RFQ and transaction fees for Clearing House Basis Swaps transacted using Broker-entered orders.
  3. ~~2-~~ Thresholds that determine the amount of the discount ~~to be applied~~ are calculated based on and discounts are applied to the gross voice execution brokerage ~~paid by the~~ accrued by a Participant ~~from for~~ the current month ~~including brokerage paid on Clearing House Basis Swaps transacted using Voice or Broker-entered orders.~~
- ~~3- Discounts will apply to transaction fees for Broker-entered orders.~~

### For i-Swap fees (as described on the Trade Execution Fee Card tab of the IGDL SEF Fee Card):

1. Calculation of “Total Monthly Electronic Fees” for i-Swap are the greater of the following:
  - a. “Trader-entered” transaction fees plus “Broker-entered” transaction fees<sup>31</sup>; or
  - b. Minimum TPH i-Swap Front End User Minimum Fee<sup>42</sup>
2. The i-Swap invoice will reflect the Total Monthly Electronic Fees (as defined above) less any Broker-entered transaction fees.

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<sup>2</sup> ~~Discounts apply to USD Medium Term Fixed Floating Interest Rate Swaps~~

<sup>31</sup> ~~Trader-entered and Broker-entered are each~~ defined on the “Notes” tab of the ~~IGDL SEF~~ [ICAP Global Derivatives Limited Trade Execution](#) Fee Card. This calculation ~~is~~ includes fees for Clearing House Basis Swaps.

<sup>42</sup> ~~See~~ Minimum Fees on the Fees tab of the IGDL SEF Fee Card

## i-Swap Streaming Program

### Summary

IGDL offers additional discounts that will be applied towards a Participant's ~~overall~~gross voice execution brokerage for a particular month based on a Participant's streaming activity on i-Swap for ~~LCH~~clearedLCH-cleared Medium Term Interest Rate Swap instruments. IGDL offers two streaming tiers: Premium Streaming Tier and Base Streaming Tier. Participants can obtain discounts in the Base Streaming Tier by meeting the streaming requirements for the covered instruments set out below in the relevant table (such Participants, "Base Tier Qualifying Participants"). Additionally, Participants are eligible to achieve greater discounts by meeting the requirements in the Premium Streaming Tier. Discount percentage for those that meet the Premium Streaming Tier requirements is based on the Participant's final rank in the League Table. The League Table rankings are computed by IGDL using the below defined League Table Methodology.

Discount achieved in a given month in either the Premium Streaming Tier or Base Streaming Tier will be applied to the following month's gross voice execution brokerage ~~rate~~.

### Streaming Tiers

#### Premium Streaming Tier

Instrument set	Total instruments required	Tenors	Max Avg Spread (per instrument)	Min # of Instruments	% of Day Quoted @ Max Spread (per instrument)
Spread-Overs	24	2, 3, 5, 7, 10, 12, 15, 20, 30	1	0	60%
Semi-Bonds		2, 3, 5, 7, 10, 12, 15, 20, 30	0.8	0	
Primary Semi-Bond Strategies		2x3, 2x5, 2x10, 5x7, 5x10, 5x30, 10x30, 2x3x5, 2x5x10, 5x10x30	0.8	5	
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Spread-Over Switches		2x3, 2x5, 5x7, 5x10, 5x30, 10x30	1	0	

### Base Streaming Tier

Instrument set	Total instruments required	Tenors	Max Avg Spread (per instrument)	Min # of Instruments	% of Day Quoted @ Max Spread (per instrument)
Spread-Overs	10	2, 3, 5, 7, 10, 12, 15, 20, 30	1	0	40%
Semi-Bonds		2, 3, 5, 7, 10, 12, 15, 20, 30	1	0	
Primary Semi-Bond Strategies		2x3, 2x5, 2x10, 5x7, 5x10, 5x30, 10x30, 2x3x5, 2x5x10, 5x10x30	1	0	

### Discount Tier Hours

Any discounts achieved will be applied to the rate in effect during the hours set forth in the following table. Base and Premium Streaming Tiers will be calculated independently in each location using the following hours (*i.e.*, IGDL will calculate rankings for the 7:30 am LDN to 7:00 am NY time period and rankings for the 7:00 am NY to 5:00 pm NY time period).

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<b>Average Size</b>	Streaming League Table metric computed as the average Bid/Offer size when at least one quote is present during the given period. This is measured on a per instrument basis.

### League Table Methodology

League Table rank in the Premium Streaming Tier is computed using Average Spread, % of Day Quoted and Average Size metrics on a per instrument basis during the Calculation Time.

- The score per instrument is computed as follows:

$$\begin{aligned} \text{Instrument's Score} = & 40\% * (\text{Average Spread}) \\ & + 35\% * (\% \text{ of Day Quoted}) \\ & + 25\% * (\text{Average Size}) \end{aligned}$$



- The Participant's final score is computed as the average of all Instruments Scores. Each Participant is ranked on their computed final score.
-