

DW SEF LLC

SEF Product Listing: Broad-Market Equity Index Swaps

Terms and Conditions

In accordance with Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulations 40.2(a), DW SEF LLC (“DW SEF”) hereby submits for Commission review its Swap Product Listing and Terms and Conditions of the Equity Asset Class, namely (i) Broad Market Equity Index Total Return Swaps and Price Return Swaps and (ii) Cash-Settled Broad Market Equity Index Forwards.

This submission includes the following:

- I. General discussion of contracts and basis for conclusion that they are swaps not readily susceptible to manipulation
- II. Discussion of Equity Index Reference Prices
- III. Terms and Conditions of Broad Market Equity Index Swaps
 - Total Return Swaps
 - Price Return Swaps
 - Cash-Settled Equity Index Forwards
- IV. The intended listing date is February 17, 2015

The Swap Products described in this submission will be subject to the DW SEF Rules applicable to Permitted Transactions, including, but not limited to the Business Conduct and Discipline and Enforcement rules set forth in Chapters 6 and 7, respectively, of the DW SEF Rules. Pursuant to Rule 901, the Swap Products will meet the specifications, and all trading in such Swap Products will be subject to such procedures and requirements, as described in the terms and conditions governing such Swap Product, posted on the website of DW SEF.

Attached also please find a certification by DW SEF that each product described in this submission complies with the Commodity Exchange Act and CFTC regulations thereunder, and that concurrent with the filing of its submission to the Commission, DW SEF has posted on its website (a) a notice of pending certification of these Contracts with the Commission, and (b) a copy of this submission.

Terms not specifically defined herein shall have the meanings set forth in the DW SEF Rules.

DW SEF:

Broad-Market Equity Index Swap Product Listing

- I. **Discussion of Contracts; Not Readily Susceptible to Manipulation**

Index Selection

DW SEF limits the indexes underlying its equity index swap offerings to well-established, publicly available third-party equity index benchmarks. DW SEF believes that the size and liquidity of the stock markets that underlie these indexes and the volume of trading in the underlying securities results in an index and swap based on such index to not be readily susceptible to manipulation. Furthermore, DW SEF believes that the large number of participants in each market, and the calculation of each index being based on actual transaction data from major stock markets further limit the susceptibility of manipulation of these indexes. The broad-based equity indexes underlying swaps on DW SEF are the timeliest, best recognized and most reliable benchmarks for equity prices in their respective markets. The index levels are readily available and commercially acceptable as benchmarks for investors, portfolio managers and public policy makers. DW SEF believes that such benchmark indexes, which also underlie liquid index futures contracts on major Designated Contract Markets, similar products listed by other CFTC-temporarily registered swap execution facilities, and equity index exchange traded funds on stock exchanges, due to the large number of index participants and broad-market nature of the instruments are not readily susceptible to manipulation. Moreover, the associated index futures contracts and exchange traded funds offer a deep liquidity pool to hedge and risk-manage swaps based on such indexes. In addition, DW SEF has rules related to the trading of the Swap Products, performs market surveillance related to the trading of such Swap Products on DW SEF and monitors the indexes in order to detect any unusual pricing of the relevant indexes. DW SEF is required to and will monitor all trading on DW SEF in order to identify manipulative activities.

Discussion of Index Reference Prices

Standard and Poors 500 Index	SPX	The S&P 500 Index is a stock market index based on market capitalization of 500 large companies having common stock listed on the NYSE or Nasdaq. The S&P 500 index components and their weightings are determined by S&P Dow Jones Indices, which is majority-owned by McGraw Hill Financial that publishes many stock market indices. It is one of the most commonly followed equity indices and many consider it the best representation of the US stock market as well as a bellwether for the US economy. It is a capitalization-weighted index meaning that the level of the index fluctuates with the market capitalization of its components. S&P and S&P 500 are registered trademarks of Standard & Poor's Financial Services LLC.
Standard & Poors MidCap 400 Index	MID	The S&P MidCap 400 provides investors with a benchmark for mid-sized companies. It is the most widely followed US mid-cap index. To be included in the index, a stock must have a total market capitalization that ranges from roughly \$750 million to \$3.3 billion. It is a capitalization-weighted index meaning that the level of the index fluctuates with the market capitalization of its components. S&P 400 is a registered trademark of Standard & Poor's Financial Services LLC.

Nasdaq 100	NDX	The Nasdaq-100 Index includes 100 of the largest domestic and international non-financial securities listed on the Nasdaq Stock Market based on market capitalization. The Index reflects companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology. It does not contain securities of financial companies, including investment companies. Nasdaq-100 Index is a registered trademark of the NASDAQ OMX Group, Inc.
Dow Jones 30	DIA	The Dow Jones Industrial Average, also known as the Dow 30 or simply the Dow, is owned by S&P Dow Jones Indices LLC, a part of McGraw Hill Financial. It is the most notable of the Dow averages, of which the first (non-industrial) was initially published in February 1885. It is an index that shows how 30 large publicly owned companies based in the US have traded during a standard trading session in the stock market. The average is price-weighted and to compensate for the effects of stock splits and other adjustments, it is currently a scaled average. The value of the Dow is not the actual average of the prices of its component stocks, but rather the sum of the component prices divided by a divisor, which changes whenever one of the component stocks has a stock split or stock dividend, so as to generate a consistent value for the index. Since the divisor is currently less than one, the value of the index is larger than the sum of the component prices. Dow Jones is a registered trademark of Dow Jones Trademark Holdings LLC.
Russell 2000	RTY	The Russell 2000 Index measures the performance of the small-cap segment of the US equity universe. The Russell 2000 is a sub-set of the Russell 3000 Index, representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000 Index is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity. The Russell 2000 Index is a registered trademark of Russell Investments.

II. Terms and Conditions

General:

- Equity Index Swaps traded on DW SEF are not cleared.

- Equity Index Swap trades are reported to the SDR in accordance with CFTC requirements.

A. Total Return Swaps and Price Return Swaps

An Equity Swap can either be a price return or total return. In a total return equity swap, dividends are included when calculating the amounts to be paid under the equity leg. In a price return equity swap, dividends are not included in the equity leg calculation.

An Equity Swap is an over the counter derivative that transfers the return attributable to a specified notional amount or number of units of the equity index from one party (the “equity amount payer”) to the other (the “equity amount receiver”). The return is generally determined based on changes in the price or level of the equity index between one or more valuation dates (or, in the case of the first valuation date, between the price or level observed as of that first valuation date). Payments under this “equity leg” of the Equity Swap are made by the equity amount payer if the return is positive and by the equity amount receiver if the return is negative. Such payments may be due only once upon the termination of the Equity Swap (if there is only a single, final valuation date), or periodically during the term of the Equity Swap following each interim valuation date. In addition, an Equity Swap generally will comprise a “financing leg” under which the equity amount receiver will make periodic payments to the equity amount payer (“financing amount payments”) calculated by multiplying the notional amount by a specified fixed or floating rate (which may be specified as the sum of a spread plus a benchmark rate, such as a LIBOR rate, that is reset periodically).

Equity Index Swaps

<i>Contract Description</i>	A contract to pay or receive regular fixed or floating interest payments on a notional amount of an equity index in exchange for the notional based return performance of an equity index
<i>Available Underlying Indexes</i>	SPX S&P 500 RTY Russell 2000 NDX Nasdaq 100 DIA Dow Jones 30 MID S&P Mid 400
<i>Contract Size</i>	The minimum size available to trade on DW SEF is at least \$1,000,000 notional, and sizes are incremental in amounts of \$1,000,000.
<i>Tenor</i>	As agreed by the Participants, 0 years to 50 years
<i>Trade Date</i>	The trade date of the contract refers to the date on which the swap contract was agreed
<i>Trade Start Types</i>	Immediate and Delayed Start
<i>Initial Equity Valuation Date</i>	A calendar date, as agreed by the Participants
<i>Equity Reset Frequency</i>	As agreed by the Participants in any valid time integer
<i>Final Equity Valuation Date</i>	A calendar date, as agreed by the Participants
<i>Interest Rate Reset Frequency</i>	As agreed by the Participants in any valid time integer
<i>Quote Conventions</i>	Contracts are quoted in basis points as a spread or fixed rate
<i>Trading Hours</i>	Trading hours of DW SEF
<i>Settlement</i>	Cash settlement based on floating rate schedule.
<i>Settlement Payments</i>	Buyer - The buyer of a contract will pay the rate of interest on the

	underlying leg plus the swap premium, and in return receive the appreciation in value of the underlying equity. Seller - The seller of a contract will receive the rate of interest plus the swap premium and in return pay the value of the appreciation of the underlying equity.
Payment Frequency	Determined by agreed LIBOR (3m, 6m, etc.) or agreed fixed rate frequency
Day Count	Actual/360
Maturity	As agreed by the Participants, any maturity up to 50 years
Notional Amount	Any amount agreed by the Participants
Leg Conventions	<i>Floating Leg</i> - Xm LIBOR + Spread or an agreed fixed rate <i>Equity Leg</i> – Notional X (% increase of equity index over floating rate period)
Business Day Convention	As agreed by the Participants
Breaks/Resets	As agreed by the Participants
Minimum and Incremental Price	There is no minimum price for a contract There is no minimum incremental price for a contract
Reporting	All trades reported to SDR in accordance with CFTC requirements
Clearing	Trades are not cleared, and are subject to a post-execution credit check

B. Cash-Settled Equity Index Forwards

A Cash-Settled Equity Index Forward is an over the counter derivative that involves the simultaneous buying of a cash-settled European Put and selling of a European call (or vice versa) at the same strike price and same expiration with a net premium of zero. The combined options create the economic equivalent to that of a forward contract. The strike price of the options is determined by taking the closing value of the underlying index on the trade date and adding the agreed spread in index points. The settlement price of the options is equal to the future valuation price of the index on the expiration date. If on the expiration date, the settlement price is greater than the strike price, the call option will be exercised and the call seller will pay to the call buyer the difference between the settlement price and strike price multiplied by the number of options. If on the expiration date, the settlement price is lower than the strike price, the put option will be exercised and the put seller will pay to the put buyer the difference between the strike price and the settlement price multiplied by the number of options.

Cash-Settled Equity Index Forwards

Contract Description	A Cash-Settled Equity Index Forward is an over the counter derivative that involves the simultaneous buying of a cash-settled European Put and selling of a European call (or vice versa) at the same strike price and same expiration with a net premium of zero.
Available Underlying Indexes	SPX S&P 500 RTY Russell 2000 NDX Nasdaq 100 DIA Dow Jones 30 MID S&P Mid 400

Contract Size	The minimum size available to trade on DW SEF is at least 1000 units notional, and sizes are incremental in amounts of 1000 units.
Strike Price	The Strike Price will equal the closing price of the Index on the Trade Date plus the quoted basis
Tenor	As agreed by the Participants, 0 years to 3 years
Trade Date	The trade date of the contract refers to the date on which the contract was agreed
Trading Conventions	Forward Buyer - The buyer of the forward buys a European OTC Call and sells a European OTC Put. Forward Seller - The seller of the forward sells a European OTC Call and buys a European OTC Put.
Quoting Conventions	Contracts are quoted in index points
Trading Hours	Trading hours of DW SEF
Settlement	Cash settlement based on floating rate schedule.
Settlement Price	The Settlement Price will be equal to the futures valuation price of the index on the expiration date
Premium	Both options have a net premium of zero
Day Count	Actual/360
Maturity	As agreed by the Participants, any maturity up to 3 years
Expiration Date	A calendar date, as agreed by the Participants. On this date, obligations under the contract no longer accrue
Business Day Convention	Following
Breaks/Resets	As agreed by the Participants
Minimum and Incremental Price	There is no minimum price for a contract There is no minimum incremental price for a contract
Reporting	All trades reported to SDR in accordance with CFTC requirements
Clearing	Trades are not cleared, and are subject to a post-execution credit check

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 CFTC regulations thereunder and that concurrent with the filing of this submission to the Commission, DW SEF has posted on its website a copy of this submissions and a notice of pending certification of these products with the Commission.

Jeffrey T. Letzler

Jeffrey T. Letzler
Chief Compliance Officer
DW SEF LLC
February 10, 2015