



Notice to All Participants of TW SEF LLC

In response to interpretive guidance received from the CFTC Divisions of Market Oversight (the "Division") via telephone on May 30, 2014, TW SEF LLC ("TW SEF") provides this Notice to all of its Participants.

Package Transactions

In No-Action Letter No. 14-62 (May 1, 2014), the Division reiterated its definition of "Package Transactions". Please note that a Package Transaction is defined as one that involves two or more instruments, and: that is executed between two or more counterparties; that is priced or quoted as one economic transaction, with simultaneous or near simultaneous execution of all components; that has at least one component that is a swap that is made available to trade (MAT) and therefore is also subject to the CEA section 2(h)(8) trade execution requirement; and where the execution of each component is contingent upon the execution of all other components. Further, in that No-Action Letter, the Divisions extended the relief granted to market participants and SEFs from the trade execution requirements for Package Transactions by No-Action Letter 14-12 (February 10, 2014), but also provided a "phase-in" schedule for Packages, by which such transactions will be deemed Required Transactions and become subject to such execution requirements provided in CFTC Regulations Section 37.9.

Block Trades

Prior to May 30, 2014, there was some uncertainty in the marketplace as to the applicability of the Block Trade rule to Packages. **We have now been advised that for any Package to be entitled to Block Trade treatment, all MAT swap components of the Package must be above the applicable block level, as defined in Section 43.2.** Such Block Trades, of course, will still be considered Required Transactions, but are not subject to the execution requirements. Therefore, **effective as of Monday, June 9, 2014**, please note that if any MAT swap component of a given Package does not exceed the applicable block threshold, then the Package will be deemed "non-block" and will be subject to the execution requirements of Regulation 37.9.

For additional information or to address any questions you may have regarding Packages or Block Trades, please contact your TW SEF representative or our client services team at help@tradeweb.com

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