

tpSEF Inc.

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February 21, 2020

Submitted via CFTC Portal

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: tpSEF Inc. – Regulation 40.6(a) Rule Certification (tpSEF Submission #20-02R)

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c) of the Commodity Exchange Act, as amended (the “Act”), and Section 40.6(a) of the regulations of the Commodity Futures Trading Commission (the “Commission”), tpSEF Inc. (“tpSEF”), a registered swap execution facility, hereby notifies the Commission that it wishes to adopt the attached form of Prime Broker Acknowledgment Letter (the “PB Letter”) as provided in Exhibit A. The intended date of implementation of the PB Letter is March 6, 2020.

Pursuant to Commission Regulation 40.6, this submission includes:

- (i) A concise explanation and analysis of the PB Letter and its compliance with applicable provisions of the Act, attached as Exhibit A; and
- (ii) A clean copy of the PB Letter, attached as Exhibit B.

tpSEF hereby certifies that the PB Letter complies with the requirements of the Act and Commission regulations thereunder. tpSEF is not aware of any substantive opposing views expressed with respect to this filing and certifies that, concurrent with this filing, a copy of this submission was posted on tpSEF’s website.

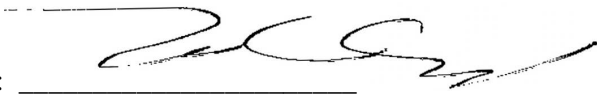
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Please contact Brian D. Donnelly, Chief Compliance Officer, at (201) 984-6956 or by email at bddonnelly@tullettprebon.com with any questions regarding this matter.

Very truly yours,

tpSEF Inc.

By: 

Name: Brian D. Donnelly

Title: Chief Compliance Officer

Date: February 21, 2020

Enclosures

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

EXHIBIT A

Explanation of PB Letter

Capitalized terms used but not defined herein have the meanings assigned to them in the Rulebook.

Rule 4105, which was self-certified pursuant to Regulation 40.6(a) (*tpSEF Submission #20-01R; Submission Number: 2002-1319-0400-19*) with an intended date of implementation of March 1, 2020, requires that each Participant that desires to transact Prime Broker Transactions on the SEF as a Prime Broker Client cause its Prime Broker to provide to the SEF an acknowledgement letter, in a form and substance satisfactory to, and approved by, the SEF. tpSEF is adopting the PB Letter as an approved form acknowledgement letter. The PB Letter, among other things identifies the Prime Broker Clients of the Prime Broker, requires the Prime Broker, subject to the applicable provisions of the Rulebook, to accept and be financially responsible for all Prime Broker Transactions executed in its name by such Prime Broker Clients, and sets forth certain terms and conditions the Prime Broker is subject to (including the applicable provisions of the Rulebook). A copy of the PB Letter is attached hereto as Exhibit B.

The PB Letter complies with Core Principles 2 and 4.

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EXHIBIT B

tpSEF Inc. Prime Broker Acknowledgment Letter

tpSEF Inc.

Prime Broker Acknowledgment Letter

To induce tpSEF Inc. (“tpSEF” or the “SEF”) to permit the undersigned Prime Broker to enter into Prime Broker Transactions on the SEF through one or more of its Prime Broker Clients the undersigned hereby acknowledges and agrees as follows.

1. Prime Broker may designate Participants as Prime Broker Clients by identifying such Participants in Annex A of this Prime Broker Acknowledgment Letter (this “Letter”). Such Annex A shall become effective as to tpSEF and the Prime Broker Clients identified therein when acknowledged by tpSEF in writing by execution and delivery (which may be by email) of such Annex A. Each Participant designated as a Prime Broker Client in Annex A shall be deemed authorized by the Prime Broker to execute Prime Broker Transactions in the name of and on behalf of the Prime Broker.
2. Prime Broker shall, subject to the terms of this Letter and the applicable provisions of the SEF Rules, including without limitation SEF Rules 4105 and the Prime Broker’s right to cancel a Prime Broker Transaction in accordance with the provisions of Rule 5103.E, accept and be financially responsible for all Prime Broker Transactions executed in its name by each Prime Broker Client identified to tpSEF by Prime Broker in Annex A of this Letter as then in effect.
3. This Letter shall continue in full force and effect as to any Prime Broker Client until cancelled or terminated as to such Prime Broker Client by written notice (a “Cancellation Notice”) to tpSEF, accompanied by an amended version of Annex A. Any such Cancellation Notice shall become effective upon receipt by tpSEF of the amended Annex A. No such termination or cancellation shall in any manner affect the Prime Broker’s obligations under the provisions of this Letter and the SEF Rules with respect to any obligations and liabilities incurred by the Prime Broker prior to the effective date and time of the relevant Cancellation Notice. Nothing in this Letter or the SEF Rules shall be deemed to interfere with or in any way restrict or limit a Prime Broker’s ability to contact a particular Prime Broker Client or any of the Prime Broker’s trading counterparties to advise such Prime Broker Client or trading counterparties that such Prime Broker Client has been terminated by the Prime Broker.
4. Prime Broker may add Prime Broker Clients for whose Prime Broker Transactions it shall be responsible in accordance with Paragraph 2 above by written notice (an “Addition Notice”) to tpSEF, including an amended version of Annex A. Any such Addition Notice shall become effective as to tpSEF and such Prime Broker Client(s) when acknowledged by tpSEF in writing by execution and delivery (which may be by email) of the amended Annex A.
5. Prime Broker hereby agrees that all Prime Broker Transactions shall be governed by the SEF Rules, including without limitation SEF Rule 4105.
6. This Letter shall be governed by, and construed under and in accordance with, the laws of the State of New York without giving effect to principles of conflict of law, and it shall be binding upon the successors and assigns of the Prime Broker and shall inure to the benefit of the successors and assigns of tpSEF.

Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the tpSEF Rulebook (available at <https://www.tullettprebon.com/swap-execution-facility/rulebook.aspx>). References

herein to any specific provision of the tpSEF Rulebook as in effect on the date of this Letter shall include any successor provision thereto, and capitalized terms used herein with the meaning specified in the tpSEF Rulebook as in effect on the date of this Letter shall be deemed references to any successor defined term.

This Letter, any Cancellation Notice, any Addition Notice and any amended Annex A may be transmitted by email to tpSEF at compliance@tpsef.com with mandatory copies to SEFExecution.Specialists@us.icap.com and DL_SEF_Product_US@us.icap.com. Unless otherwise indicated herein, any notice delivered pursuant to or in connection with this Letter will be deemed effective as follows: (i) if sent by email, when received; (ii) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date it is delivered or its delivery is attempted; or (iii) if in writing and delivered in person or by courier, on the date it is delivered.

This Letter may be executed and delivered in counterparts (including by email), each of which will be deemed an original.

[remainder of page left blank]

Name of Prime Broker	
Printed Name and Title of Signatory	
Signature	
Date	

Prime Broker's Notice Information
Name:
Address:
Attention:
Telephone:
Fax:
Email:

Accepted and agreed:

tpSEF Inc.

By: _____

Name: _____

Title: _____

Date: _____

Annex A to tpSEF Inc. Prime Broker Acknowledgment Letter

List of Prime Broker Clients

Name of Prime Broker Client	
LEI	
Authorized branch location(s) / center(s) of Prime Broker Client*	

Name of Prime Broker Client	
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Authorized branch location(s) / center(s) of Prime Broker Client*	

**If left blank, Prime Broker Client shall be deemed to be permitted to transact in such capacity through any of its branch locations/centers.*

Acknowledged:

tpSEF Inc.

By: _____

Name: _____

Title: _____

Date: _____