



Daniel E. Glatter  
General Counsel and Secretary

**TRADITION SEF, Inc.**

June 12, 2020

**VIA CFTC PORTAL**

Assistant Secretary of the Commission for FOIA,  
Privacy and Sunshine Acts Compliance  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**RE: Tradition SEF, Inc. – FOIA Confidential Treatment Request**

Dear Sir or Madam:

By CFTC Portal submission today, April 7, 2020, Tradition SEF, Inc. (the “Submitter”) provided the information attached as Exhibit A (the “Confidential Information”) and attached hereto to the Commodity Futures Trading Commission (the “Commission”) and staff of the Division of Market Oversight regarding modifications to the Tradition SEF Trad-X USD IRS Liquidity Provider Program. .

Pursuant to Commission Rules 40.8 and 145.9(d), the Submitter requests confidential treatment of the Confidential Information consisting of Exhibit A to this submission on the grounds that disclosure of the Confidential Information would reveal confidential commercial and financial information of the Submitter and its employees and would be considered commercially material information to competitors of the Submitter.

Submitter’s notice that is reflected on Exhibit A contains information that is proprietary to the Submitter and forms an integral part of the competitive nature of the marketplace. Hence pending completion of its review and for the Submitter to continue to operate its business without undue inquiry, distraction or interruption, it is imperative that such information be treated as confidential. Accordingly, the Submitter requests confidential treatment of Exhibit A in its entirety.

Pursuant to Commission Rule 145.9(d)(5), the Submitter requests that confidential treatment of the Confidential Information be maintained until further notice from the Submitter. The Submitter requests that the Commission notify it immediately after receiving any request under the Freedom of Information Act (“FOIA”) or any other court order, subpoena or summons for the Confidential Information. The Submitter specifically notes that it does not waive, in any manner, its rights under Section 8(f) of the Commodity Exchange Act to receive a copy of any subpoena or summons for the Confidential Information prior to the Commission’s disclosure of such information pursuant to such subpoena or summons. Finally, the Submitter requests that the Commission notify it in the event that the Commission intends to disclose the Confidential Information to Congress or any federal or state governmental agency or department.

Should you require additional information related to this request, please contact the undersigned at (212) 377-2337 or [daniel.glatter@tradition.com](mailto:daniel.glatter@tradition.com).

Assistant Secretary of the Commission for FOIA,  
Privacy and Sunshine Acts Compliance  
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Sincerely,

/s/ Daniel E. Glatter  
General Counsel and Secretary

Att.

**EXHIBIT A**  
**Confidential Information**

- Three page document titled “Tradition SEF Participant Notice 20-03 - Modifications to Tradition SEF - Trad-X USD IRS Liquidity Provider Program (“LPP”)”



**Tradition SEF, Inc.**

Participant Notice 20-03

Modifications to Tradition SEF - Trad-X USD IRS Liquidity Provider Program (“LPP”)

June 12, 2020

**To** : Tradition SEF Authorized Representatives

**From** : Tradition SEF Legal, Compliance, and Operations

Authorized Representatives,

Pursuant to Tradition SEF Rule 536, and Tradition SEF Notice to Participants 19-04, Tradition SEF hereby provides notice of modifications to certain terms of the Trad-X USD IRS Liquidity Provider Program, (the “LPP”). The effective date for the modifications to the LPP is July 1, 2020.

The objective of the LPP is to incentivise Electronic Liquidity Providers (“ELPs”) to stream two-sided liquidity to the Trad-X USD electronic order book. The incentive comes in the form of fee discounts applied to ELP’s SEF USD IRS voice transactions.

Please note that the LPP is considered confidential and is intended only for Tradition SEF Participants and Customers, and is not to be disseminated outside of a Participant’s or Customer’s organization. Furthermore, a request for confidential treatment has been submitted to the CFTC regarding certain details of the modifications.

**1) Changes / revisions to the LPP:**

The qualifying streaming sizes have been revised. From July 1, 2020, and until further notice, qualifying streaming sizes will be as per the chart below:

<b><u>QUALIFYING MINIMUM SIZES AND EXAMPLE: RAAS POINTS TOTAL BASED ON 7 HOURS OF STREAMING</u></b>	<b><u>Qualifying Size (MM)</u></b>	<b><u>ELP bid/offer</u></b>	<b><u>Weight*</u></b>	<b><u>ELP RAAS Points</u></b>	<b><u>W*R</u></b>
<b><u>Spread Over</u></b>					
5 Year	50	0.5	1	117	117
10 Year	25	0.5	1	117	117
30 Year	10	0.625	1	290	290
<b><u>Spread Over Switches</u></b>					
5v10	25	0.5	1	117	117
10v30	10	0.625	1	290	290
<b>TOTAL (1) :</b>					931

<b><u>Rates Semi Bond vs 3M</u></b>					
1 Year	100	0.5	0.25	117	29.25
2 Year	75	0.5	0.25	117	29.25
5 Year	30	0.5	0.25	117	29.25
10 Year	15	0.5	0.25	117	29.25
30 Year	5	0.625	0.25	290	72.50

<b><u>Rates Semi Bond vs 3M</u></b>					
<b><u>Spread/Flies</u></b>					
5v10	15	0.5	0.25	117	29.25
10v30	5	0.625	0.25	290	72.50
5v7v10	40	0.5	0.25	117	29.25
10v20v30	15	0.5	0.25	233	58.25

<b>TOTAL (2) :</b>	<b>379</b>				
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	<b><u>Qualifying Size (\$MM)</u></b>	<b><u>ELP bid/offer</u></b>	<b><u>Weight*</u></b>	<b><u>ELP RAAS Points</u></b>	<b><u>W*R</u></b>
<b><u>1Year Gap Fly:</u></b>					
2x3x4	100	0.5	0.25	117	29.25
3x4x5	100	0.5	0.25	117	29.25
4x5x6	100	0.5	0.25	117	29.25
5x6x7	100	0.5	0.25	117	29.25
6x7x8	100	0.5	0.25	117	29.25
7x8x9	100	0.5	0.25	117	29.25
8x9x10	100	0.5	0.25	117	29.25
9x10x11	100	0.5	0.25	117	29.25
10x11x12	100	0.5	0.25	177	44.25

<b>TOTAL (3) :</b>	<b>278</b>				
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<b>Minimum Daily RAAS Score to qualify for ELP incentives (Sum of Totals 1,2 &amp; 3 )</b>	<b>1,200</b>
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RAAS is calculated based on the number of hours streamed each day. The above example is based on seven hours streaming. ELPs may earn additional RAAS points for streaming additional hours. Streaming tighter two-way markets will also increase RAAS scores.

**2) Additional LPP Incentive:**

In addition to the LPP incentives outlined in Notice 19-04, ELP's transaction fees will be waived for transactions resulting from interaction with an ELP's passive electronic stream.

Please contact us at the contact information below with any questions.

For Tradition SEF legal matters, please contact:

**Dan Glatter, General Counsel:** (212) 377 2337 or [daniel.glatter@tradition.com](mailto:daniel.glatter@tradition.com)

For SEF compliance or administrative questions please contact:

**Eric Earnhardt, CCO:** (212) 791 3497 or [eric.earnhardt@tradition.com](mailto:eric.earnhardt@tradition.com)

**Jeff Mehan, CAO:** (212) 943 4567 or [jeff.mehan@tradition.com](mailto:jeff.mehan@tradition.com)