



TRADITION SEF, Inc.

Scot J. Halvorsen
Secretary and Senior Regulatory Counsel
Legal Department

July 10, 2015

VIA E-MAIL (submissions@cftc.gov)

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

**RE: CFTC Regulation 40.6(a) Rule Certification. Notification of Amendments to Tradition SEF, Inc. Rulebook.
Tradition SEF Submission No. 2015-10**

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c) of the Commodity Exchange Act, as amended (the "Act"), and Commodity Futures Trading Commission ("CFTC" or the "Commission") Regulation 40.6(a), Tradition SEF, Inc. ("Tradition SEF") hereby notifies the Commission of amendments to the Tradition SEF Rulebook (the "Rulebook"), to be effective and implemented by Tradition SEF as of July 24, 2015, which is the first business day after the Commission's ten (10) business day review period. Attached as Exhibit B is a redlined version of the Rulebook reflecting the amendments described in this submission.

We have identified in Exhibit A the modified Rules and compliance with the SEF core principles ("Core Principles") as set forth in Section 5h of the Act and Part 37 of the Commission's regulations promulgated thereunder.

Tradition SEF continues to comply with the Core Principles. In particular, Tradition SEF has determined that it is in compliance with Core Principle 2 (Compliance with Rules), Core Principle 3 (Swaps not readily susceptible to manipulation), Core Principle 4 (Monitoring of trading and trade processing) and Core Principle 5 (Ability to obtain information), as further described in the compliance chart provided in Exhibit A.

Tradition SEF hereby certifies that the rule amendments comply with the Act and the Commission's regulations promulgated thereunder. No substantive opposing views were expressed that were not incorporated into the rule amendments. Tradition SEF hereby certifies that it has posted a notice of pending certification with the Commission and a copy of the submission on its website (*see*, <http://www.traditionsef.com/news/>), concurrent with the filing of this submission with the Commission.

Should you require additional information related to this submission, please contact the undersigned at 212-377-2337 or scot.halvorsen@tradition.com. Please reference Tradition SEF Submission No. 2015-10 in any related correspondence.

Sincerely,



Scot J. Halvorsen
Secretary and Senior Regulatory Counsel

Attachments: Exhibit A – Compliance with Core Principles table
Exhibit B – Tradition SEF Rulebook (redline format)

EXHIBIT A
Compliance with Core Principles

Rule	Rule Change	Explanation and Analysis of the operation, purpose, and effect of the proposed rule or rule amendment and its compliance with applicable provisions of the Act, including core principles, and the Commission's regulations thereunder.
Rule 315	Tradition SEF has amended Rule 315 to reflect that access to Tradition SEF or a platform by an ISV shall pursuant to criteria that is impartial, transparent and applied in a fair and non-discriminatory manner.	The purpose of the amendment to Rule 315 is to comply with Core Principle 2 and CFTC Regulation 37.202(a)(1) regarding impartial access to markets and market services.
Rule 402	Tradition SEF has amended Rule 402(a)12 to require that each Participant, and, to the extent applicable, shall cause its employees, Authorized Traders, Authorized Brokers or Authorized Agents to keep, or cause to be kept, complete and accurate books and records, including, without limitation, all books and records required to be maintained pursuant to the Act, the CFTC Regulations or the Rules and make such books and records available for inspection by a representative of Tradition SEF, the CFTC or the United States Department of Justice for a period of five (5) years for books and records, except that the retention period for voice communications shall be one (1) year.	The purpose of the amendment to Rule 402(a)(12) is to comply with Core Principle 5 and CFTC Regulation 37.501, which requires a swap execution facility to establish and enforce rules that will allow it to have the ability and authority to obtain sufficient information to allow it to fully perform its operational, risk management, governance, and regulatory functions and any requirements under Part 37, including the capacity to carry out international information-sharing agreements, as the Commission may require.
Rule 412	Tradition SEF has amended Rule 412 to provide that it will send confirmation of all terms of the transaction at the time of execution; provided that specific customer identifiers for accounts included in bunched orders involving swaps need not be included in confirmations provided by Tradition SEF, if the applicable requirements of Regulation 1.35(b)(5) are met.	The purpose of the amendment to Rule 412 is to comply with CFTC Regulation 37.6(b), which requires a SEF to send confirmations of all terms of the transaction at the same time as execution; provided that specific customer identifiers for accounts included in bunched orders involving swaps need not be included in confirmations provided by a SEF, if the applicable requirements of Regulation 1.35(b)(5) are met.

Rule 507	Tradition SEF has amended Rule 507(a)(1) to clarify that a RFQ for a required transaction must be sent to no less than three (3) market participants that are not affiliates of or controlled by the requestor.	The purpose of the amendment to Rule 507(a)(1) is to comply with CFTC Regulation 37.9(a)(3), which requires a SEF to transmit a request for a quote to buy or sell a specific instrument to no less than three (3) market participants in the trading system or platform, to which all such market participants may respond. The three (3) market participants shall not be affiliates of or controlled by the requester and shall not be affiliates of or controlled by each other.
Rule 510	Tradition SEF has amended Rule 510(e) that requires Participants or Customers to create and maintain records, including records of their SEF activity to apply to "Authorized Agents" (as defined in the Tradition SEF Rulebook).	The purpose of the amendment to Rule 510(e) is to comply with Core Principle 4 and CFTC Regulation 37.404(b), which specifies that a SEF must have rules that require market participants (individuals who can effect, directly or indirectly, transactions on the SEF) to keep records of their trading, including records of their activity in the index or instrument used as a reference price, the underlying commodity, and related derivatives markets, and make such records available upon request.
Rule 540(a)	Tradition SEF has added a new Rule 540(a) that provides that a transaction entered into on or pursuant to the Rules of Tradition SEF shall not be void, voidable, subject to rescission, otherwise invalidated, or rendered unenforceable as a result of a violation by Tradition SEF of the provisions of Section 5h of the Act or Part 37 of the Commission's regulations promulgated thereunder.	The purpose for the addition of Rule 540(a) is to comply with CFTC Regulation 37.6(a), which requires that, among other things, a transaction entered into on or pursuant to the rules of a SEF shall not be void, voidable, subject to rescission, otherwise invalidated, or rendered unenforceable as a result of a violation by the swap execution facility of the provisions of section 5h of the Act or Part 37 of the Commission's regulations.
Rule 540(b)	Tradition SEF has added a new Rule 540(b) that provides that a Swap shall not be void or voidable due to any Commission proceeding to alter or supplement a rule, term, or condition under Section 8a(7) of the Act or to declare an emergency under Section 8a(9) of the Act.	The purpose for the addition of Rule 540(b) is to comply with CFTC Regulation 37.6(a), which requires that, among other things, a transaction entered into on or pursuant to the rules of a SEF shall not be void, voidable, subject to rescission, otherwise invalidated, or rendered unenforceable as a result of any Commission proceeding to alter or supplement a rule, term, or condition under section 8a(7) of the Act or to declare an emergency under section 8a(9) of the Act.
Rule 540(c)	Tradition SEF has added a new Rule 540(c) that provides that a Swap shall not be void or voidable due to any proceeding the effect of which is to: (i) alter or supplement a specific term or condition or trading rule or procedure; or (ii) require Tradition SEF to adopt a specific term or condition, trading	The purpose for the addition of Rule 540(c) is to comply with CFTC Regulation 37.6(a), which requires that, among other things, a transaction entered into on or pursuant to the rules of a SEF shall not be void, voidable, subject to rescission, otherwise invalidated, or rendered unenforceable

	rule or procedure, or to take or refrain from taking a specific action.	as a result of any proceeding the effect of which is to: (i) alter or supplement a specific term or condition or trading rule or procedure; or (ii) require Tradition SEF to adopt a specific term or condition, trading rule or procedure, or to take or refrain from taking a specific action.
Rule 901(a)	Tradition SEF has added a new Rule 901(a) that provides that it will permit trading in products that will be offered for trading by Tradition SEF and submitted to the CFTC and certified pursuant to Part 40 of CFTC Regulations, from time to time. The contract specifications for all such Swaps shall be published on the Tradition SEF's website and incorporated by reference into Tradition SEFs Rules.	The purpose for the addition of 901(a) is to comply with Core Principle 3 and CFTC Regulation 37.301, which requires that at the time it submits a new swap contract in advance to the Commission pursuant to part 40 of Title 17, Chapter I, it shall provide the applicable information as set forth in appendix C to part 38 of Chapter I (Demonstration of Compliance That a Contract is not Readily Susceptible to Manipulation).
Rule 901(b)	Tradition SEF has added a new Rule 901(b) that provides that Participants may propose to Tradition SEF the listing of a Swap by submitting a proposed product specification to Tradition SEF's Compliance Department.	The purpose for the addition of 901(a) is to comply with Core Principle 3 and CFTC Regulation 37.300, which provides that a SEF shall permit trading only in swaps that are not readily susceptible to manipulation.
Rule 902	Tradition SEF has added a new Rule 902 that provides that Tradition SEF will permit trading only in Swaps that are not readily susceptible to manipulation and will submit supporting information as set forth in Appendix C to Part 38 of CFTC Regulations, as may be amended from time to time, when it submits its contracts for approval or certification pursuant Part 40 of CFTC Regulations.	The purpose for the addition of 902 is to comply with Core Principle 3 and CFTC Regulation 37.301, which requires that at the time it submits a new swap contract in advance to the Commission pursuant to part 40 of Title 17, Chapter I, it shall provide the applicable information as set forth in appendix C to part 38 of Chapter I (Demonstration of Compliance That a Contract is not Readily Susceptible to Manipulation).

EXHIBIT B
Redlined Rulebook

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