



TRADITION SEF, Inc.

Scot J. Halvorsen  
Senior Regulatory Counsel and Secretary  
Legal Department

July 15, 2016

**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. 2016-04**

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 August 1, 2016, 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 addition of Rule 544 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 1 (Compliance with Core Principles), Core Principle 2 (Compliance with Rules), Core Principle 4 (Monitoring of Trading and Trade Processing, and Core Principle 7 (Financial Integrity of Transactions), 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/regulatory/>), 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](mailto:scot.halvorsen@tradition.com). Please reference Tradition SEF Submission No. 2016-04 in any related correspondence.

Sincerely,



Scot J. Halvorsen  
Senior Regulatory Counsel and Secretary

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

**EXHIBIT A**  
**Compliance with Core Principles**

<b>Rule</b>	<b>Rule Change</b>	<b>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.</b>
544	<p>Tradition SEF has added new Rule 544, Affirmations of Cleared Swaps; it reads:</p> <ul style="list-style-type: none"> <li>(a) The parties to a Cleared Swap transaction shall affirm and release such transactions in the relevant SEF or third-party affirmation platform as soon as technologically practicable, but in no event later than ten (10) minutes after the execution of such Cleared Swap.</li> <li>(b) Failure by a party to affirm a Cleared Swap routed through a third-party affirmation platform within such ten (10) minute time period required by this Rule 544 shall be a violation of the Rule; provided that: <ul style="list-style-type: none"> <li>(1) such failure shall be a violation only by the party that failed to affirm the Cleared Swap in accordance with this Rule; and</li> <li>(2) no such failure shall be a violation where the failure was substantially the result of, as determined in the SEF's discretion, any errors or delays caused by the SEF or any third-party market infrastructure provider.</li> </ul> </li> </ul>	<p>In compliance with Core Principle 7 (Financial Integrity of Transactions) and CFTC Letter No. 15-67 (Straight Through Processing and Affirmation of SEF Cleared Swaps), dated December 21, 2015, the SEF will ensure that trades are affirmed and routed to and received by the relevant DCO no more than ten (10) minutes after the execution of such trade.</p>

**EXHIBIT B**

**Redlined Rulebook**

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