



TRADITION SEF, LLC

Bennett Kirschner  
General Counsel and Secretary

June 2, 2023

**VIA E-MAIL (submissions@cftc.gov)**

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

**RE: CFTC Regulation 40.2(a) Certification. Request for New Product Certification of Tradition SEF's Credit Swap Asset Classes Product Listing.**

**Tradition SEF Submission No. 2023-02**

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") Regulations 40.2(a), Tradition SEF, LLC ("Tradition SEF" or "The SEF") hereby notifies the Commission of revisions to the following:

The addition of the following index as a benchmark for credit swaps offered for trading: Markit® iBoxx USD Liquid Investment Grade (IG Index) Credit Index.

Redlined and clean versions of Tradition SEF Rulebook Appendix B is hereto as Exhibit A to reflect the changes. The effective date for these additions and revisions is June 20, 2023.

Please note that Tradition SEF Submission No. 2023-02 includes the following revisions to the Credit Product Listing and Terms and Conditions:

**Appendix B:**

- Reference to Markit® iBoxx USD Liquid Investment Grade (IG Index) has been added to Section 1 of Appendix B of the Tradition SEF Rulebook.
- Reference to Markit® iBoxx USD Liquid Investment Grade (IG Index) has been added to Section 2 of Appendix B of the Tradition SEF Rulebook.
- Reference to Markit® iBoxx USD Liquid Investment Grade (IG Index) has been added to table 4.b within Section 4 of Appendix B of the Tradition SEF Rulebook.
- Reference to Markit® iBoxx USD Liquid Investment Grade (IG Index) TRS has been added to Appendix B of the Tradition SEF Rulebook.

Tradition SEF hereby certifies compliance with applicable provisions of the Act, including The SEF core principles (“Core Principles”) as set forth in Section 5h of the Commodity Exchange Act and Part 37 of the Commission’s regulations promulgated thereunder. In particular, the products listed in this submission adhere to Core Principles 3 (“Swaps Not Readily Susceptible to Manipulation”) and 7 (“Financial Integrity of Transactions”) and CFTC Rules 37.300-301 and 37.700-37.702.

Herein, Tradition SEF demonstrates that the contracts listed for trading on Tradition SEF are not readily susceptible to manipulation as follows:

**IG Index Swaps:**

The following is a description of Markit® iBoxx USD Liquid Investment Grade (IG Index):

Markit® iBoxx USD Liquid Investment Grade (IG Index) The iBoxx USD Liquid Investment Grade IG Index is not readily susceptible to manipulation. Swaps indexed to the iBoxx IG Index trade on multiple SEFs. The Markit iBoxx USD Liquid Investment Grade Index is designed to reflect the performance of US Dollar (USD) denominated investment grade corporate debt. The index consists of investment grade USD denominated bonds issued by corporate issuers from developed countries and contains solely fixed-rate bonds whose cash flow can be determined in advance. All bonds in the Markit iBoxx IG Index must have an iBoxx rating of investment grade. Ratings from the following three credit rating agencies are considered for the calculation of the iBoxx Rating: Fitch Ratings; Moody’s Investor Service; S&P Global Ratings Investment grade is defined as BBB- or higher from Fitch Ratings and S&P Global Ratings and Baa3 or higher from Moody’s Investor Service. The Total Return Swap format underlying bonds is weighted by market capitalization, with an issuer cap of 3% of index composition. The Markit iBoxx IG Index is rebalanced once a month at the month-end. The Markit iBoxx USD Liquid Investment Grade IG Index uses multi-source prices. The development and management of the iBoxx Indexes is rules-based, therefore making it difficult for individuals or entities to change selection practices for purposes of manipulation.

Tradition SEF hereby certifies that the products comply with the Commodity Exchange Act and the Commission’s regulations promulgated thereunder. No substantive opposing views were expressed that were not incorporated into the product 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 [bennett.kirschner@tradition.com](mailto:bennett.kirschner@tradition.com). Please reference Tradition SEF Submission No. 2022-02 in any related correspondence.

Sincerely,

Bennett Kirschner  
General Counsel and Secretary

Att.  
Exhibit A

## **EXHIBITS**

| **A) Appendix B to Tradition SEF Rulebook**  
**Credit Swap Product Listing**

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