**Tradition SEF, Inc.**

October 10, 2013

via email to: SEFReporting@cftc.gov

Nancy Markowitz, Deputy Director
Division of Market Oversight
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

RE:     Tradition SEF Notice of Intent to Rely On Time-Limited No-Action Relief Provided by
CFTC Letter No. 13-55 (Amended September 30, 2013)


Dear Ms. Markowitz:

Tradition SEF, a temporarily registered swap execution facility ('SEF") hereby notifies the
Division of Market Oversight ("Division") of the Commodity Futures Trading Commission
("CFTC" or "Commission") of its intent to rely on the time–limited no-action relief for certain
equity swaps provided in CFTC Letter No. 13-55, as amended.

1.      In connection therewith, the following is a description of Tradition SEF's reporting
capabilities as it relates to the reporting of Part 43 and Part 45 creation data within the
commodity asset class for Energy transactions.

        Within the commodity asset class, for Energy deals only, at this time, Tradition SEF has
the following proposed work flow that addresses our SDR reporting capabilities – The
Commodity Swap Energy Work Flow.  (As described below in section 3).

        While Tradition SEF is currently live in production with the Commodity Swap Energy
Workflow certain issues that did not appear during testing indicate that some additional work
will be required.  Tradition SEF believes that we will be able to report Commodity Swaps
(Energy) to the Commodities SDRs in short order,

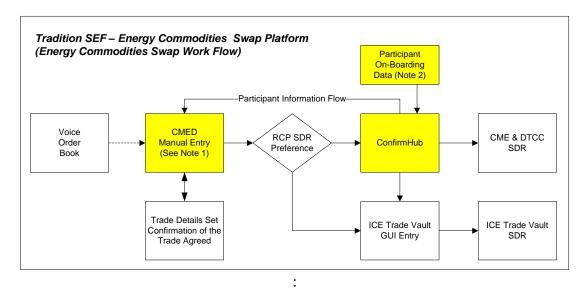| Asset Class | Base Product | Sub-Product | Transaction type | Product Listing Name |
|---|---|---|---|---|
| Commodity | Energy | Oil | Swap | Oil Swap |
| Commodity | Energy | Oil | Option | Oil Options |
| Commodity | Energy | Natural Gas | Swap | Nat Gas Swap |
| Commodity | Energy | Natural Gas | Option | Nat Gas Option |
| Commodity | Energy | Electricity | Swap | Electricity Swap |
| Commodity | Energy | Electricity | Option | Electricity Option |

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2.        Tradition SEF has entered into agreements with CME Direct regarding assistance in reporting of Part 43 and Part 45 creation data.

Tradition utilizes the CME Direct middleware systems to validate, enrich and report static and trade data, respectively during the trade reporting process.  Middleware systems have been developed over time and are generally accepted by the trading community as the preferred method of collecting and storing various artifacts of static data so that they are centralized and available to firms that connect through them.

3.        Tradition SEF is unable to report the following categories of swaps, and the swaps that are included in each category that Tradition SEF is unable to report are set forth below.

| Asset Class | Base Product | Sub-Product | Transaction type | Product Listing Name |
|---|---|---|---|---|
| Commodity | Energy | Oil | Swap | Oil Swap |
| Commodity | Energy | Oil | Option | Oil Options |
| Commodity | Energy | Nat Gas | Swap | Nat Gas Swap |
| Commodity | Energy | Nat Gas | Option | Nat Gas Option |
| Commodity | Energy | Elec | Swap | Elec Swap |
| Commodity | Energy | Elec | Option | Elec Option |

There are three basic issues that need to be addressed during the relief period in order for Tradition SEF to comply with the commission's rules as stated in Parts 43 and 45 as well as the SEF Final Rules.  Consider the trade flow diagram below.  The bulleted items below describe our current reporting issues.



Tradition SEF – Energy Commodities  Swap Platform
(Energy Commodities Swap Work Flow)

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Issues

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- Client data that had been expected to be collected and processed for entry into Tradition SEF systems (And ConfirmHub) during the on-boarding process has not been completed due to the no-action relief concerning on-boarding. This information is critical to the fulfillment of creation data requirements. (Refer to diagram above, affected area Note 2.)

- Tradition SEF (CME Direct) has not been able to provide a sustainable process for generating a single USI for Commodity Energy SEF trades. Instead their USI generation process creates a USI for each month in a deal (a result of their systems being designed on their exchange model). This presents no issue for a single month bilateral swap; however, it causes an issue for any bilateral swap transacted with a term of two months or greater. Clients of the SEF are unable to efficiently absorb multiple USI for a multi month deal and are challenged by difficulties with continuation reporting. The CME development team is working on a solution and should have an enhancement in place within two weeks. (Refer to diagram above, affected area Note 1.)

- The selection of CME Direct as a third party SDR conduit was largely centered around their stated capabilities to collect, manage and enrich existing trade information along with their existing client clearing data (as populated in ClearPort Clearing, a part of the CME). As discussed above, the timetable for this data collection has been severely decreased and the third party CME Direct system lacks certain Part 45 data as outlined in the table below. CME Direct estimates that the development and testing time needed to update the system is approximately five weeks.

| Data Fields | Report -Yes/No? |
|---|---|
| USI for the swap | Yes |
| LEI of reporting counterparty* | Yes |
| Indication of whether reporting counterparty* is a SD with respect to swap | No |
| Indication of whether reporting counterparty* is a MSP with respect to swap | No |
| If reporting counterparty* is not a SD/MSP with respect to swap, an indication of whether the reporting counterparty* is a financial entity (per CEA s. 2(h)(7)(C)) | No |
| Indication of whether the reporting counterparty* is a U.S. person | No |
| Indication that swap will be allocated | No |
| If swap will be allocated, or is a post-allocation swap, LEI of the agent | No |
| Indication that swap is a post-allocation swap | No |

| | |
|---|---|
| If swap is a post-allocation swap, the USI of the original transaction between the reporting counterparty and agent | No |
| LEI of the non-reporting counterparty** | Yes |
| If no CFTC-approved LEI for the non-reporting counterparty** is yet available, the internal identifier for the non-reporting counterparty** used by the SDR | No |
| Indication of whether the non-reporting counterparty** is a SD with respect to swap | No |
| Indication of whether non-reporting counterparty** is a MSP with respect to swap | No |
| If the non-reporting counterparty** is not a SD/MSP with respect to swap, an indication of whether the non-reporting counterparty** is a financial entity (per CEA s. 2(h)(7)(C)) | No |
| Indication of whether the non-reporting counterparty** is a U.S. person | No |
| UPI assigned to swap | No |
| If no UPI is available for the swap because it is not sufficiently standardized, the taxonomic description of the swap per CFTC-approved product classification system | Yes |
| If no CFTC-approved UPI and product classification system is yet available, the internal product identifier or product description used by SDR | Yes |
| Indication that swap is a multi-asset swap | No |
| For a multi-asset class swap, an indication of the primary asset class | No |
| For a multi-asset class swap, an indication of the secondary asset class(es) | No |
| Indication that swap is mixed swap | No |

| | |
|---|---|
| For mixed swap reported to two non-dually registered SDRs, the identity of the other SDR (if any) to which swap is/will be reported | No |
| Contract type | Yes |
| Block trade indicator | Yes |
| Execution timestamp | Yes |
| Execution venue | Yes |
| Timestamp for submission to SDR | Yes |
| Start date | Yes |
| Maturity, termination, or end date | Yes |
| Buyer | Yes |
| Seller | Yes |
| Quantity unit | Yes |
| Quantity | Yes |
| Quantity frequency | Yes |
| Total quantity | Yes |
| Settlement method | Yes |
| Price | Yes |
| Price unit | Yes |
| Price currency | Yes |
| Buyer pay index | Yes |
| Buyer pay averaging method | Yes |
| Seller pay index | Yes |
| Seller pay averaging method | Yes |
| Grade | Yes |
| Option type | Yes |
| Option style | Yes |
| Option premium | Yes |
| Hours from through | Yes |
| Hours from through time zone | Yes |
| Days of week | Yes |
| Load type | Yes |
| Clearing indicator | Yes |
| Clearing venue | No |

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|---|---|
| If swap will not be cleared, an indication of whether the clearing requirement exception in CEA s. (2)(h)(7) was elected | No |
| Identity of the counterparty electing the clearing requirement exception in CEA s. (2)(h)(7) | No |
| Indication of collateralization | Yes |
| Any other term(s) of the swap matched or affirmed by the counterparties in verifying the swap | Yes |

If you have any questions regarding this notice please contact me at the details below or Jeff Mehan at 212-943-4567 or by email at jeff.mehan@tradition.com.

Sincerely,

Eric Earnhardt
Chief Compliance Officer
212 791 3497
Eric.earnhardt@tradition-na.com