



TRADITION SEF, Inc.

Scot J. Halvorsen  
Senior Regulatory Counsel and Secretary  
Legal Department

August 25, 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. 2016-06**

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 September 15, 2016. Attached as Exhibit B is a redlined version of the Rulebook reflecting the amendments described herein.

We have identified on Exhibit A amendments of Rules 516, 519, 544 and Chapter 6 (Disciplinary 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 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 table 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. 2016-06 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>
<b>516</b>	Tradition SEF amended Rule 516, Fraudulent Acts Prohibited, to specifically prohibit violations of various sections of the Act and CFTC Regulations relating to fraud in connection with or related to any SEF activity or other activity related to a clearing house.	Amendment requested by the CFTC and enhances Tradition SEF's compliance with Core Principals 2 and 4 and Sections 9(a)(2) and 4c(a)(5) of the Act and Commission Regulation 180.1(a).
<b>519</b>	Tradition SEF amended Rule 519, Market Manipulation Prohibited, to specifically prohibit violations of various sections of the Act and CFTC Regulations relating to attempting to manipulate or manipulating the price of any swap.	Amendment requested by the CFTC and enhances Tradition SEF's compliance with Core Principals 2 and 4 and Sections 9(a)(2) and 4c(a)(5) of the Act and Commission Regulation 180.2.
<b>544</b>	Tradition SEF amended Rule 544, Affirmations of Cleared Swaps, to further compliance with CFTC Letter No. 15-67 (Straight Through Processing and Affirmation of SEF Cleared Swaps), dated December 21, 2015.	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, Tradition SEF ensures that trades are affirmed and routed to and received by the relevant DCO no more than ten (10) minutes after the time of execution of such trade.
<b>Chapter 6 (Disciplinary Rules)</b>	Tradition SEF amended several rules in Chapter 6 of the Tradition SEF Rulebook to clarify the roles of the Market Regulation Department and the disciplinary, hearing and appeal panels.	The amendments to Chapter 6 ensure continued compliance with Core Principle 2 (Compliance with Rules), specifically Commission Regulation 37.206 (Disciplinary procedures and sanctions).

**EXHIBIT B**

**Redlined Rulebook**

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