



TRADITION SEF, Inc.

Scot J. Halvorsen
Senior Regulatory Counsel and Secretary
Legal Department

January 11, 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. 2016-01**

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 January 26, 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 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 1 (Compliance with Core Principles), Core Principle 2 (Compliance with Rules), Core Principle 4 (Monitoring of Trading and Trade Processing, Core Principle 6 (Position Limits or Accountability), Core Principle 8 (Emergency Authority), Core Principle 10 (Recordkeeping and Reporting), and Core Principle 15 (Designation of Chief Compliance Officer), 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. Please reference Tradition SEF Submission No. 2016-01 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

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 101	Tradition SEF has amended or added the definitions of various terms, including "Confirmation", "Platform Supplement", "Reporting Counterparty", "Required Swap Creation Data", and "Swap Transaction and Pricing Data", among others, to be more concise or to fully capture regulatory requirements.	The amendments to defined terms add greater certainty with regard to the Rules, and Tradition SEF continues to comply with Core Principle 1 (Compliance with core principles) and Core Principle 2 (Compliance with rules) and CFTC Regulation 37.200.
Rules 208, 211, 212, 213, 402(a)(12), 403(b), 406, 510(b)(1), 510(c), 520, 620, 704(c), 708, and 804.	Tradition has reviewed the rulebook and inserted specific regulations to replace references to terms such as "CFTC regulations" or "applicable law", as appropriate.	The inclusion of specific regulations, where applicable, provides greater certainty to the Rules. Tradition SEF continues to comply with Core Principle 1 (Compliance with core principles) and Core Principle 2 (Compliance with rules) and CFTC Regulation 37.200.
201(b)	Tradition SEF has incorporated specific language stating that it will submit to the Commission within 30 days after each Board election a report identifying its Board members, the membership interests they represent and how the composition of the Board otherwise meets the requirements of CFTC Regulation 1.64(b) with Tradition SEF's implementing standards and procedures.	In compliance with Core Principle 1 (Compliance with core principles) and CFTC Regulations 1.64 and 37.100, Tradition SEF is revising Rule 201(b) to state that it will submit to the Commission the report required under CFTC Regulation 1.64.
207(f)	Tradition SEF has made minor amendments to the rule to explain that the Regulatory Oversight Committee shall be responsible for overseeing the Chief Compliance Officer of Tradition SEF, who will report directly to the Board.	In compliance with Core Principle 15 (Designation of a Chief Compliance Officer) and CFTC Regulation 37.1500(b)(1), Tradition SEF's revised rule clarifies that the CCO will report to Tradition SEF's board of directors.

208	Tradition SEF has amended Rule 208 to more precisely align with the regulatory requirements related to actions a SEF may take during an emergency.	In compliance with Core Principle 8 (Emergency Authority) and CFTC Regulation 37.800, Tradition SEF's rule governing emergencies has been revised to more precisely align with the regulatory requirements related to actions a SEF may take during an emergency.
210	Tradition SEF has amended Rule 210 to accurately reflect the requirements in CFTC Regulation 1.59 regarding restrictions on the use of material non-public information.	With the revision to Rule 210, Tradition SEF continues to comply with Core Principle 1 (Compliance with core principles) and CFTC Regulation 37.100.
211	Tradition SEF has revised its recordkeeping rule to make clear that Tradition SEF retains the records required under CFTC Regulations 37.205, 37.1000, 37.1001, 43.3(h), 45.2, 45.5 and 45.6(f). The amendments explicitly reference the CFTC regulations related to recordkeeping, incorporating by reference the CFTC-prescribed record retention period, form of retention (electronic or paper form), and the duration of when records must be readily accessible. The amendments specify that required records under CFTC Regulation 45.2 will be kept open to inspection on request from the CFTC, DOJ, SEC or prudential regulator as authorized by the CFTC. Tradition SEF has added that it will include the USI for a Swap in all records and Swap data reported to an SDR with respect to the Swap throughout the life of the Swap and for five years thereafter in accordance with CFTC Regulation 45.5(e).	In compliance with Core Principle 2 (Compliance with rules) and Core Principle 10 (Recordkeeping and reporting), Tradition SEF is revising its recordkeeping rule to clarify that Tradition SEF retains records required under specific CFTC regulations and for the period mandated by such regulations.
402	Tradition SEF amended the title of Rule 402 to provide that the rule encompasses Participants, including Clearing Firms and FCMs.	In compliance with Core Principle 2 (Compliance with rules) and CFTC Regulation 37.202, Tradition SEF's revision clarifies that this rule applies to Participants that are Clearing Firms and FCMs.
403	To address the requirement in CFTC Regulation 43.6(i)(2), Tradition SEF has added a new paragraph (c) to Rule 403 (Duties and Responsibilities of Participants that Provide Customers with Access to a Platform); the new paragraph provides: "A Participant that transacts in a Block Trade on behalf of a Customer must receive prior written instruction or consent from	Tradition SEF continues to comply with Core Principle 1 (Compliance with core principles) and Core Principle 2 (Compliance with rules) and CFTC Regulation 37.200 by revising Rule 403 to provide that a Customer must consent in writing before a Participant may transact in a Block Trade on behalf of such Customer and that a Customer with Direct Customer Access must maintain

	<p>the Customer to do so. Such instruction or consent may be provided in the power of attorney or similar document by which the Customer provides the Participant with discretionary trading authority or the authority to direct the trading in its account.”</p> <p>Tradition SEF has also added a new paragraph, (a)(6), which states: “The Customer authorized by a Participant for Direct Customer Access connectivity to a Tradition SEF Platform must agree to be subject to Rule 402(a)(12).” (Rule 402(a)(12) requires that certain books and records be maintained.)</p>	<p>certain books and records.</p>
405	<p>Tradition SEF has revised Rule 405 to clarify that Participants and Customers are subject to inspections conducted by the market regulation department.</p>	<p>In compliance with Core Principle 2 (Compliance with rules) and Core Principle 4 (Monitoring of trading and trade processing) and CFTC Regulation 37.203, Tradition SEF’s revised rule clarifies that Customers are subject to its market regulation inspections.</p>
412	<p>Tradition SEF has revised the rule to add the expiration date of CFTC No-Action Letter 15-25, which is referenced in the rule.</p>	<p>In compliance with Core Principle 1 (Compliance with core principles) and CFTC Regulations 37.6 and 37.100, Tradition SEF’s revised rule clarifies when the CFTC’s no-action relief may no longer be relied upon.</p>
501	<p>Tradition SEF has revised Rule 501 to clarify that Chapter 5 of the Rules applies to Swaps executed pursuant to Tradition SEF’s Rules and that additional requirements are provided in applicable Platform Supplements.</p>	<p>In compliance with Core Principle 2 (Compliance with rules) and CFTC Regulations 37.9 and 37.200-201, Tradition SEF’s revised rule clarifies the execution requirements that apply to Participants.</p>
503	<p>Tradition SEF has amended Rule 503 to stipulate that business days reference Eastern Prevailing Time in the U.S. and to provide for 24-hour access for pre-arranged off-facility Permitted Transactions or Block Trades.</p>	<p>In compliance with Core Principle 1 (Compliance with core principles) and Core Principle 4 (Monitoring of trading and trade processing) and CFTC Regulations 37.9 and 37.400, Tradition SEF’s revised rule clarifies the operation of the SEF by specifying trading hours for Permitted Transactions.</p>
504	<p>Tradition SEF has revised Rule 504, Execution Methods, to provide that Tradition SEF may facilitate the Orders of Required Transactions through the “Order Book or through RFQ, where available, as RFQ is set forth in each applicable Platform Supplement. Participants may enter</p>	<p>In compliance with Core Principle 1 (Compliance with core principles) and Core Principle 4 (Monitoring of trading and trade processing) and CFTC Regulations 37.9 and 37.400, Tradition SEF’s revised rule clarifies the trading procedures to be followed by market participants when entering</p>

<p>bids/offers for Required Transactions into the Order Books: (i) directly via a trading Platform GUI, (ii) directly via API, where available or (iii) through a Broker Firm Participant or directly through IM, telephone or other acceptable form of communication with a SEF Execution Specialist. Orders for Required Transactions must contain the economic and other information pursuant to Rule 506 and Rule 510(c).”</p> <p>With respect to Permitted Transactions, Tradition SEF has revised the rule to read:</p> <p>(b) For Permitted Transactions, Tradition SEF may facilitate the execution of transactions as follows:</p> <p>(1) Permitted Transactions may be privately negotiated or arranged apart from Tradition SEF and presented to Tradition SEF for execution pursuant to Rule 529 through communication with a SEF Execution Specialist via IM, telephone or other acceptable form of communication.</p> <p>(2) Orders for non-cleared Permitted Transactions may be entered into the Permitted Transaction Order Book through interaction with a Broker Firm Participant that has been granted agency access to the Order Book, or directly through IM, telephone or other acceptable form of communication with a SEF Execution Specialist. Participants may request access rights to view and monitor Orders in the Order Book over the internet by requesting access through email communication at tradsefob@tradition.com.</p> <p>(3) Orders for Permitted Transactions in Interest Rate Swaps, Foreign Exchange Options and Credit Default Swaps may be entered into the Order Books provided by the Trad-X, Volbroker and StreamGlobal Platforms respectively, pursuant to the Rules in their respective Platform Supplements.</p> <p>(4) Permitted Transactions may be executed via electronic RFQ as set forth in a Platform Supplement, if electronic submission is supported by such Platform.</p> <p>Additional provisions include:</p>	<p>and executing orders traded or posted on the SEF.</p>
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	<p>(c) Orders or prearranged Permitted Transactions must contain the economic and other information pursuant to Rule 506 and Rule 510(c).</p> <p>(d) Block trades are presented to Tradition SEF for execution pursuant to Rule 529 through communication with a SEF Execution Specialist via IM, telephone or other acceptable form of communication.</p>	
505	<p>Tradition SEF has revised Rule 505 to clarify that Participants may transmit Orders to Platform Order Books. Tradition SEF deleted the provision stating that Swaps in the Order Book are deemed to be executed at the point when the bid and offer Orders are matched.</p>	<p>In compliance with Core Principle 1 (Compliance with core principles) and Core Principle 4 (Monitoring of trading and trade processing) and CFTC Regulations 37.9 and 37.400, Tradition SEF's revised rule clarifies the operation of the SEF.</p>
507	<p>Tradition SEF has revised Rule 507 to make clear that responses to an RFQ made by an affiliate or controlled person are not counted toward the regulatory required minimum number of market participants unless the response is on behalf of a customer of such affiliate or controlled person.</p>	<p>In compliance with Core Principle 1 (Compliance with core principles) and Core Principle 4 (Monitoring of trading and trade processing) and CFTC Regulations 37.9(a)(3) and 37.400, Tradition SEF's revised rule clarifies the operation of the SEF.</p>
508	<p>Tradition SEF has amended Rule 508 to add: "Any transactions executed in a work-up process may only be executed for the same product at the same price and with the same terms other than size as the initial trade, for which details were previously submitted to a SDR and made publically available prior to the work-up process. Any resting bids or offers on the Order Book equal to or better than the initial trade price shall be included in the work-up session."</p>	<p>In compliance with Core Principle 2 (Compliance with rules) and CFTC Regulations 37.9 and 37.200-201, Tradition SEF's revised rule clarifies the requirements applicable to transactions executed during work-up processes.</p>
509	<p>Tradition SEF has revised its block trade rule to incorporate references to requirements contained in Part 43 of the CFTC's regulations. For example, Tradition SEF has incorporated a provision stipulating that the appropriate minimum block size is determined in accordance with CFTC Regulation 43.6 and that Tradition SEF will report Required Swap Creation Data and Swap Transaction and Pricing Data of each block trade to a registered SDR. Tradition SEF also incorporated a provision stipulating that parties that elect to have a qualifying transaction treated as a Block Trade or whom arrange or execute the</p>	<p>The purpose of this rule revision is to provide to Participants and Customers details about Tradition SEF's swap data reporting requirements with respect to block trades. Tradition SEF continues to comply with Core Principle 2 (Compliance with rules) and CFTC Regulation 37.200(c), which requires a SEF to "[e]stablish rules governing the operation of the facility, including rules specifying trading procedures to be used in entering and executing orders traded or posted on the facility, including block trades."</p>

	transactions outside of the SEF must report such transaction to Tradition SEF as a Block Trade.	
510(b)	Tradition SEF has amended Rule 510(b) to require a Participant that has provided a Customer with Direct Customer Access connectivity to a Platform to cause such Customer to maintain an audit trail.	In compliance with Core Principle 2 (Compliance with rules) and Core Principle 4 (Monitoring of trading and trade processing) and CFTC Regulations 37.205 and 37.404(b), Tradition SEF's revised rule clarifies that certain customers must maintain an audit trail.
510(c)	To ensure that swap counterparties provide Tradition SEF with the information that Tradition SEF is required to report to a registered SDR, Tradition SEF has amended Rule 510(c) by adding the reference to the definition of "financial entity" and adding the requirement that a person entering an order provide a yes or no indication of whether the clearing requirement exception in Section 2(h)(7) of the Commodity Exchange Act will be elected.	In compliance with Core Principle 1 (Compliance with core principles) and CFTC Regulations 37.100 and 45.8, Tradition SEF has clarified the meaning of "financial entity" and requires an indication of whether the Participant or Customer will elect the clearing requirement exception.
510(e)	Tradition SEF has amended this provision to stipulate that Tradition SEF will request, obtain and review the post-trade allocation information as part of a trade practice surveillance or market surveillance investigation into any trading activity involving post-trade allocations. Tradition SEF has added that it relies on CFTC No-Action Letter 15-68, which expires on November 15, 2017.	In compliance with Core Principle 2 (Compliance with rules) and Core Principle 4 (Monitoring of trading and trade processing) and CFTC Regulations 37.205 and 37.404(b), Tradition SEF's revised rule clarifies that Tradition SEF will rely on no-action relief with respect to certain audit trail information and will request certain information from participants in the event of investigations involving post-trade allocations.
511	Tradition SEF has revised Rule 511 to state: "Tradition SEF may cancel any trade or adjust trade prices in accordance with the Rules (if any) set forth in the applicable Platform Supplement for trades that are the result of unauthorized Traders or the failure of a SEF Platform function, or when such action is necessary to mitigate market disrupting events caused by improper conduct or erroneous trading behaviour, or if allowing the trade to stand as executed would have a material adverse effect on the integrity of the market. Any trade price adjustments or trade cancellations shall be transparent to the market and subject to standards including, but not limited to: transactions entered into in the name of a Participant or Customer without the knowledge or authority of such a Participant or Customer, or entered into by an Authorized Trader or Authorized Broker after a notification to	Tradition SEF has clarified its error trade policies in compliance with Core Principle 2 (Compliance with rules) and Core Principle 4 (Monitoring of trading and trade processing) and Regulation 37.203(e), which requires that a SEF have the authority "to adjust trade prices or cancel trades when necessary to mitigate market disrupting events caused by malfunctions in its system(s) or platform(s) or errors in orders submitted by members and market participants." Further, the regulation requires "any trade price adjustments or trade cancellations shall be transparent to the market and subject to standards that are clear, fair, and publicly available."

	<p>disable an Authorized Trader’s or Authorized Broker’s access to the SEF Platforms has been received by Tradition SEF in accordance with the applicable procedures set out in SEF Rules or Platform Supplements; a trade executed as a result of an order entering a SEF Platform as a result of a failure of an Order Input Collar, Order Size Collar, or failure of a House Limit Function or other credit or clearing limit function; or which is executed at a price outside of the current bid and offer for the Product; or which is manifestly erroneous.”</p>	
512	<p>Tradition SEF has amended Rule 512, Swap Data Reporting, to clarify that disclosure of pricing data relating to publicly reportable swap transactions will be made on a non-discriminatory basis amongst market participants. Further, Tradition SEF has added new paragraphs (e) and (f) that stipulate that Tradition SEF will create unique swap identifiers and timestamp certain swap data with the date and time of when Tradition SEF (1) receives data from a swap counterparty and (2) transmits swap data to an SDR for public dissemination.</p>	<p>In compliance with Core Principle 1 (Compliance with core principles) and CFTC Regulations 37.100, 43.3(b)(3) and 45.7(c), Tradition SEF has clarified that it will only disclose to market participants pricing data relating to publicly reportable swap transactions on a non-discriminatory basis, timestamp swap data and generate USIs that will be used in all required recordkeeping and reporting information.</p>
513	<p>Tradition SEF has amended Rule 513 to stipulate that Tradition SEF will use the facilities, methods, or data standards of the SDR(s) to which the SEF reports swap data. Tradition SEF has inserted the defined term “Swap Transaction and Pricing Data</p>	<p>In compliance with Core Principle 1 (Compliance with core principles) and CFTC Regulations 37.100 and 45.13(b), which requires a SEF to use the facilities, methods, or data standards of the SDR(s) to which the SEF reports swap data, Tradition SEF has clarified that it will use the applicable SDR’s facilities, methods or data standards when reporting swap data to such SDR.</p>
514	<p>Tradition SEF has revised Rule 514 to make it applicable to ISVs.</p>	<p>By revising Rule 514, Tradition SEF continues to comply with Core Principle 1 (Compliance with core principles) and Core Principle 2 (Compliance with rules).</p>
520	<p>Tradition SEF has added to Rule 520 a reference to the CFTC’s Antidisruptive Practices Authority Interpretive Guidance and Policy Statement.</p>	<p>In compliance with Core Principle 1 (Compliance with core principles) and Core Principle 2 (Compliance with rules) and CFTC Regulation 37.203, Tradition SEF’s revised rule clarifies the meaning of a “disruptive trading practice”, which is prohibited by Tradition SEF.</p>

532	<p>Tradition SEF has made minor revisions to Rule 532, Position Limits and Exemptions, to state that Tradition SEF will “adopt for each of the contracts of the facility, as is necessary and appropriate, position limitations or position accountability levels for speculators.”</p>	<p>In compliance with Core Principle 6 (Position limits or accountability) and CFTC Regulation 37.600, Tradition SEF revised Rule 532 that permits Tradition SEF to adopt for each of its contracts, position limitations or accountability levels for speculators.</p>
542	<p>Tradition SEF has added a new Rule, Risk controls for trading; it reads:</p> <p>Tradition SEF shall establish and maintain risk control mechanisms pursuant to CFTC Regulation 37.405 to prevent and reduce the potential risk of market disruptions, including, but not limited to, market restrictions that pause or halt trading under market conditions prescribed by the swap execution facility. Risk controls specific to each Platform will be described in the respective Platform Supplement.</p>	<p>In compliance with Core Principle 4 (Monitoring of trading and trade processing) and CFTC Regulation 37.405, Tradition SEF has clarified that it will establish and maintain risk control mechanisms.</p>
543	<p>Tradition SEF has added a new Rule, Publication of market data on swaps and options thereon: trading volume and prices, and submission of transaction data to the CFTC; it reads:</p> <p>Tradition SEF shall publish on its website, www.traditionsef.com, pursuant to CFTC Regulation 16.01(e) no later than the Business Day following the day to which the information pertains, and submit to the CFTC pursuant to CFTC Regulation 16.01(d), daily market data for Swaps and options thereon. Such data shall be included for each product traded on Tradition SEF each day. The information published on the SEF website and submitted to the CFTC shall be the data points prescribed in CFTC Regulation 16.01(a)(2)(i) through (vi), as applicable to Swaps.</p>	<p>In compliance with Core Principle 1 (Compliance with core principles) and CFTC Regulation 37.100 and Part 16 of the CFTC’s regulations, which require a SEF to make certain reports to the CFTC and make public market data, Tradition SEF has clarified that it will make such reports and publish the required market data on its website.</p>
610	<p>Tradition SEF revised Rule 610 to state that a Review Panel or a Hearing Panel will “include sufficient different membership interest so as to ensure fairness and to prevent special treatment or preference for any Person.”</p>	<p>In compliance with Core Principle 1 (Compliance with core principles) and Core Principle 2 (Compliance with rules) and CFTC Regulation 37.206, Tradition SEF has revised Rule 610 to more fully explain the composition of a Review or Hearing Panel.</p>

615	<p>Tradition SEF has revised Rule 615 to make it applicable to Customers.</p>	<p>In compliance with Core Principle 1 (Compliance with core principles) and Core Principle 2 (Compliance with rules) and CFTC Regulation 37.206, Tradition SEF has clarified the applicability of Rule 615.</p>
620	<p>Tradition SEF has added Rule 620, which provides:</p> <p>(a) Notice of Disciplinary or Access Denial Action</p> <p>(1) Whenever a Tradition SEF decision pursuant to which a disciplinary action or access denial action is to be imposed has become final, Traditions SEF shall, within thirty (30) days thereafter, provide written notice of such action to the person against whom the action was taken and to the Commission via NFA's BASIC database. Such notice shall include, but not limited to, the following information:</p> <ul style="list-style-type: none"> i. The name of the person against whom the disciplinary action or access denial action was taken; ii. A statement of the reasons for the disciplinary action or access denial action together with a listing of any rules which the person who was the subject of the disciplinary action or access denial action is charged with having violated or which otherwise serve as the basis of Tradition SEF's action; iii. A statement of the conclusions and findings made by Tradition SEF with regard to each rule violation charged or, in the event of settlement, a statement specifying those rule violations which Tradition SEF has reason to believe were committed; iv. The terms of the disciplinary action or access denial action; v. The date on which the action was taken and the date Tradition SEF intends to make the disciplinary or access denial action effective; and vi. A statement informing the party subject to the disciplinary action or access denial action of the availability of Commission review of Tradition SEF's action pursuant 	<p>In compliance with Core Principle 1 (Compliance with core principles) and CFTC Regulations 37.100, 37.206, 9.11 and 9.12, Tradition SEF has added new provisions under Rule 620 describing that Tradition SEF will provide notice of a disciplinary or access denial action to the person against whom such action is taken and to the CFTC, the contents of the notice and the effective date of the action.</p>

to section 8c of the Act and Part 9 of the Commission's regulations promulgated thereunder.

(b) Effective Date of Disciplinary or Access Denial Action

(1) Any disciplinary or access denial action taken by Tradition SEF will not become effective until at least fifteen (15) days after the written notice described in Rule 620(a) above is delivered to the person disciplined or denied access; provided, however, that Tradition SEF may cause a disciplinary action to become effective prior to that time if:

- i. Tradition SEF reasonably believes, and so states in its written decision, that immediate action is necessary to protect the best interests of the marketplace; or
- ii. Tradition SEF determines, and so states in its written decision, that the actions of a person who is within Tradition SEF's jurisdiction have impeded the progress of a disciplinary hearing; or
- iii. Tradition SEF determines that a person has violated Tradition SEF's rules relating to decorum or attire, or timely submission of accurate records required for clearing or verifying each day's transactions or other similar activities; or
- iv. The person against whom the action is taken has consented to the penalty to be imposed and to the timing of its effectiveness.

(2) If Tradition SEF determines in accordance with paragraph (a)(1) of this section that a disciplinary action will become effective prior to the expiration of fifteen (15) days after written notice thereof, it shall notify the person disciplined in writing, either personally or other means of written telecommunication to the person's last known address, stating the reasons for the determination. Tradition SEF shall also by means of written telecommunication immediately notify the Commission (Attention: Contracts Markets Section, Division of Market Oversight). Where

	notice is delivered by means of written telecommunication, the time within which the person so notified may file a petition for stay pursuant to §9.24(a)(2) will be increased by one day.	
703	Tradition SEF has revised Rule 703 to clarify its reliance on certain no-action relief and the expiration dates of such relief.	In compliance with Core Principle 1 (Compliance with core principles) and CFTC Regulations 37.6 and 37.100, Tradition SEF's revised rule clarifies when the CFTC's no-action relief may no longer be relied upon.
707	Tradition SEF has revised Rule 707 to clarify its reliance on certain no-action relief and the expiration dates of such relief.	In compliance with Core Principle 1 (Compliance with core principles) and CFTC Regulations 37.6 and 37.100, Tradition SEF's revised rule clarifies when the CFTC's no-action relief may no longer be relied upon.
807(c)	Tradition SEF has amended the rule to state that disputes will be resolved in the forum agreed to by the parties, if the parties have agreed to another forum.	In compliance with Core Principle 1 (Compliance with core principles), Tradition SEF's revised rule corrects a misspelled word.

EXHIBIT B

Redlined Rulebook

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