



Tradition SEF, Inc.

Participant Notice 15-18 – Amendment of USD CME/LCH CCP Auctions Announcement Timing on Trad-X Interest Rate Swap Platform

June 9, 2015

To : Tradition SEF Authorized Representatives
From : Tradition SEF Operations and Compliance

Authorized Representatives,

Tradition SEF has amended the timing of the communication of the price of the auction for its Central Counterparty (CCP) auctions. CCP Auctions allow Participants and Customers to enter orders to negotiate “switch” (or “spread”) trades in interest rate swaps (IRS) between LCH Clearnet (LCH) and CME Clearing (CME) CCPs. The auction prices will be quoted on the basis between the fixed rate of the LCH cleared swap and the fixed rate of the CME cleared swap.

The CCP auctions will be conducted in the following manner and in conjunction with the Tradition SEF Rulebook and Trad-X Platform Supplement (Note: Other than the timing of the auction price announcement, the process is unchanged):

REMINDER: USD CME/LCH CCP Auctions on Trad-X – protocols:

- USD CME/LCH CCP Auctions start every day @ 10:30AM NYC time.
- The session runs for 5 minutes.
- The auction will use IMM swap structure to facilitate compression at CCP level.
- IMM swap: Start date on the first future contract date, IMM rolls and IMM end date.
- The “execution price” is the basis between the fixed rate (Actual_360) of the LCH cleared IMM swap and the fixed rate (Actual_360) of the CME cleared IMM swap. Price of the first session will be communicated to participants by email before the auction process commences.
- The auction prices will be generated from TIRS (Tradition’s Bloomberg run reference page for this product) indicative mid markets just before the auction’s start.
- Orders may be amended or cancelled during the auction session.
- Multiple buy and seller orders for the same auction are permitted.
- Minimum execution sizes are the following :
 - 2 IMM(CME) v 2 IMM(LCH) – 100MM
 - 3 IMM(CME) v 3 IMM(LCH) – 100MM
 - 5 IMM(CME) v 5 IMM(LCH) – 100MM
 - 7 IMM(CME) v 7 IMM(LCH) – 100MM
 - 10 IMM(CME) v 10 IMM(LCH) – 100MM
 - 12 IMM(CME) v 12 IMM(LCH) – 100MM
 - 15 IMM(CME) v 15 IMM(LCH) – 100MM
 - 20 IMM(CME) v 20 IMM(LCH) – 100MM



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- 30 IMM(CME) v 30 IMM(LCH) – 100MM
- Trade unit tick sizes are in the increments of the above minimum execution sizes.
- Orders will be instantly matched on a first come, first served basis (Standard “Order Book” protocol).
- The LCH cleared IMM swap will be executed at mid-market directly calculated from the Trad-X CLOB at the time of execution.
- Orders will be matched either partially (in minimum size) or fully and will remain in the Order Book awaiting the match until they are cancelled by the user or cancelled automatically at the end of the auction session.
- Trades will be reported immediately into the public Trad-X blotter.
- SEF Confirmations will be sent to trading counterparties via Markitwire.
- The auction service is fully integrated with the Trad-X Credit Matrix for pre-trade credit checking.
- Access is provided to all SEF Participants authorized to trade this product if or when requested.
- Orders can be submitted directly or via SEF Execution Specialist.
- Auction execution fee is set forth in the current Tradition SEF Fee Schedule.

For assistance with auction system related issues please contact Trading Operations at trading.operations@tradition-na.com or call +1 (212) 238 5930

Please contact Tradition SEF at the numbers below if you have any questions.

For Tradition SEF administrative or compliance questions, please contact:

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For Tradition SEF legal matters, please contact:

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