

NOTICE OF SANCTION

May 7, 2024

VIA ELECTRONIC MAIL

Mr. James Ient
Tradition Asia Limited
Entertainment Building – 25th Floor
30 Queens Road
Central and Western District
Hong Kong Island
Hong Kong

Dear Mr. Ient:

As the Authorized Representative and Compliance Representative of Tradition Asia Limited, you are receiving this Notice of Sanction as a result of a trading review conducted into your firm's pre-arranged trade execution procedures. Pursuant to Regulation 37.201(b) of the Commodity Exchange Act ("CEA"), Tradition SEF ("TSEF") must enforce compliance with its Rules. In accordance with CFTC Regulation 37.9(b)(1), TSEF Rule 529(b)(3) requires a 15 second delay between entering the first and second orders of a pre-negotiated required transaction on the TSEF platform, as required under CFTC regulations and TSEF's rulebook.

In reference to NFA Inquiry Letters dated November 1, 2023 and April 3, 2024 TSEF has found that Tradition Asia Limited may have violated Rule 529(b)(3) in 2 instances by not exposing the first side of a pre-arranged transaction for the required 15 seconds. The violations relate to the following two (2) trades:

- Deal ID - 549300MBO45EHETL4438N0AIR231031020710000001L3 - Trade Date October 31, 2023
- Deal ID - 549300MBO45EHETL4438N0AIR240328020710000004L3 – Trade Date March 28, 2024

In the above instances, the transactions were pre-negotiated prior to the orders being entered into the Order Book on the TSEF platform. However, the first order was not exposed to the market for the required minimum 15 seconds on the Order Book prior to entry of the matching contra order.

As a result of these findings, TSEF is imposing a sanction in the form of a fine in the amount of \$1,500 on Tradition Asia Limited in accordance with TSEF Rule 615(a)(4). Please remit \$1,500 to TSEF within 30 days of this notice. Please review the payment instructions in order to arrange payment.

Continuation of this conduct may be cause for TSEF to impose further sanctions, including a warning, fines or denial of access, on Tradition Asia Limited. This letter does not preclude TSEF from taking

enforcement action based upon the conduct described herein. Please note CFTC Regulations prohibit TSEF from issuing more than one warning letter per rolling 12-month period for the same violation.

Please feel free to contact me at william.clarke@tradition.com or Eric Earnhardt at eric.earnhardt@tradition.com if you have any questions.

Sincerely,

William Clarke
SEF Surveillance Officer
Tradition SEF, LLC

CC: Eric Earnhardt, CCO