



Tradition SEF, LLC

Participant Notice 22-07 Reminder of Certain Obligations of Tradition SEF Market Participants

July 7, 2022

To: Tradition SEF Authorized Representatives

From: Tradition SEF Legal and Compliance

Participants of Tradition SEF are subject to certain ongoing obligations pursuant to CFTC rules and the Tradition SEF Rulebook.

Below is a summary of some of such obligations of Tradition SEF's Participants. Terms used herein, but not defined herein, have the meanings ascribed to them in the Tradition SEF Rulebook.

1) **Tradition SEF Rule 304:**

If acting on behalf of Customers, under Rule 304, Participants must obtain representations and/or ensure that each of its Customers is an Eligible Contract Participant at all relevant times; must obtain representations and/or ensure that the Customer has and maintains all necessary regulatory approvals and/or licenses to access a Platform and enter into Swaps under Applicable Law and is not subject to any trading ban, prohibition or suspension issued by the CFTC or the NFA, or statutory disqualification under Section 8a(2) of the Act. Additionally, Participants are subject to the U.S. Bank Secrecy Act, the USA PATRIOT Act and the regulations thereunder, or similar legislation in any jurisdiction, and therefore are expected to have implemented a written anti-money laundering program that has been approved in writing by its senior management and is reasonably designed to promote and monitor its compliance with the applicable requirements of such laws. Furthermore, Participants must screen Customers for compliance with economic or trade sanctions programs administered by OFAC or other relevant U.S. or non-U.S. authority, including screening Customer names against OFAC's List of Specially Designated Nationals and Blocked Persons.

2) **Tradition SEF Rule 308:**

Under Rules 308(a), 308(c) and 308(f), Participants must designate one or more Authorized Traders for itself and one or more Authorized Traders for each of its Customers that are granted direct access to a SEF Platform, including access to and communication with IN-SEF Voice brokers, or System, and must name and provide contact information for each designated Authorized Trader. Each Participant has the obligation to notify Tradition of changes to its Authorized Trader list so that the list is kept current and updated accordingly with Tradition SEF. Similarly, each Broker Firm Participant shall designate one or more Authorized Brokers or Authorized Agents to act on behalf of its Customers and must name and provide contact information for each designated Authorized Broker and Authorized Agent. Each Participant has the obligation to notify Tradition of changes to its Authorized Trader, Authorized Broker and



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Authorized Agent list so that the lists are kept current and updated accordingly with Tradition SEF. Requests for changes of individuals designated as Authorized Traders, Authorized Brokers and Authorized Agents must be made by an Authorized Representative and may be sent via email to TradSEFOB@Tradition.com. Tradition may periodically reach out to Participants to verify that our current lists of Authorized Traders, Authorized Brokers and Authorized Agents are up to date and to obtain or update the required onboarding information for each Authorized Trader, Authorized Broker and Authorized Agent.

3) **Tradition SEF Rule 309:**

Participants must name and provide contact information for each Authorized Representatives who will represent the Participant before Tradition SEF and its committees, communicate on its behalf with the SEF and receive notices on behalf of the Participant. Each Participant has the obligation to notify Tradition of changes to its Authorized Representative list so that the list is kept current and updated accordingly with Tradition SEF. Requests for changes of individuals designated as Authorized Representatives can be sent to TradSEFOB@Tradition.com. Tradition may periodically reach out to Participants to verify that our current list of Authorized Representatives is up to date and to obtain or update the required onboarding information for each Authorized Representative.

4) **Required Disclosures to Tradition SEF under Rule 404:**

Participants must disclose to Tradition SEF certain legal or regulatory activity including, but not limited to:

- 1) Any refusal of admission to any Self-Regulatory Organization, SEF, Designated Contract Market or Derivatives Clearing Organization;
- 2) any expulsion, suspension or material fine (whether through an adverse determination, voluntary settlement or otherwise) imposed on the Participant by any Self-Regulatory Organization;
- 3) any denial or withdrawal of any application for any registration or license by or from any Government Agency, and any revocation, suspension or conditioning of any registration or license granted by any Government Agency in relation to SEF Activity;
- 4) the commencement of any judicial or administrative proceeding against the Participant or the imposition of any fine, cease and desist order, denial of trading privileges, censure or other sanction or remedy (whether through an adverse determination, voluntary settlement or otherwise) imposed by any Government Agency in relation to SEF Activity;
- 5) any indictment or conviction of, or any confession of guilt or plea of guilty or nolo contendere by, the Participant or (or, if the Participant is an entity, by any of its principals or senior officers) for any felony or misdemeanor involving, arising from, or related to, the purchase or sale of any commodity, futures contract, option, swap, security, securities futures product or other financial instrument, or involving or arising from fraud or moral turpitude; or
- 6) the Participant becoming the subject of an Insolvency Event.

Disclosures pursuant to Rule 404 may be emailed to MarketRegulationDept@tradition.com.



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5) Tradition SEF Rule 544:

Parties to Cleared Swaps, and Broker Firm Participants introducing such trades to Tradition SEF, as applicable, are reminded that Tradition SEF Rule 544 requires all Cleared Swap transactions to be affirmed and released to clearing in the relevant SEF or third-party affirmation platform as soon as technologically practicable, but in no event later than ten (10) minutes after the execution of such Cleared Swap.

6) Complaints:

Complaints, other than transaction or transaction processing errors which are governed by SEF Rules 538, 539 and applicable Platform Supplements, should be transmitted by electronic mail to Tradition SEF by a Participant's Authorized Representative to MarketRegulationDept@tradition.com

Please note that Participants, Authorized Representatives, Authorized Brokers, Authorized Agents, Authorized Traders and customers of Participants should refer to the current version of the Tradition SEF Rulebook when determining rules applicable to such entities. A current version of the Tradition SEF Rulebook is available at <https://www.traditionsef.com/regulatory/filter/rulebook/all/all>.

Thank you for your continued diligence regarding these obligations.

For SEF compliance or administrative questions please contact:

Eric Earnhardt, CCO: (212) 791-3497 or eric.earnhardt@tradition.com

Jeff Mehan, CAO: (212) 943-4567 or jeff.mehan@tradition.com

For legal matters, please contact:

Bennett Kirschner, General Counsel: (212) 377-2337 or bennett.kirschner@tradition.com