



## Tradition SEF, Inc.

### Participant Notice 14-22

November 10, 2014

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

#### **Notice of Revision to Tradition SEF Fee Schedule.**

Tradition SEF, Inc. ("Tradition SEF") has submitted for the Commodity Futures Trading Commission's (the "CFTC" or "Commission") review, a revised fee schedule (the "Fee Schedule") pursuant to Section 5c(c) of the Commodity Exchange Act, as amended, and CFTC Regulation 40.6. The effective date of the Fee Schedule is December 1, 2014. A request for confidential treatment of the Fee Schedule has also been submitted to the Commission. Please note that the Fee Schedule is considered confidential and is only for use by Tradition SEF participants and is not to be disseminated outside of a participant's organization.

The Fee Schedule has been amended to reflect the addition of a new category of fees related to the introduction of a Broker Firm Participant to Tradition SEF by a Participant. A Broker Firm Participant is distinguished from a General Participant in that a Broker Firm Participant may enter orders or execute swaps on a Tradition SEF Platform on an agency basis on behalf of customers or other Participants or their customers, but not for the Broker Firm Participant's proprietary account.

The Fee Schedule related to Broker Firm Participants has been divided into four categories:

- (1) A Category 1 Broker Firm Participant includes a Broker Firm Participant that is a bank, Swap Dealer, Investment Bank and/or is registered as an FCM.
- (2) A Category 2 Broker Firm Participant includes: (a) a Broker Firm Participant that is registered as an Introducing Broker or is a Broker with appropriate and/or equivalent regulatory status in a foreign jurisdiction, but is not a bank, Swap Dealer, Investment Bank and/or is registered as an FCM; or (b) a Broker Firm Participant that operates out of a single location with no affiliated offices or entities in other locations and has no affiliation with a competing SEF to Tradition SEF.
- (3) A Category 3 Broker Firm Participant includes: (a) a Broker Firm Participant that is registered as an Introducing Broker or is a Broker with appropriate and/or equivalent regulatory status in a foreign jurisdiction but is not a bank, Swap Dealer, Investment Bank and/or is registered as an FCM; or (b) a Broker Firm Participant that operates out of multiple locations and/or has affiliated entities in other regions.



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(4) A Category 4 Broker Firm Participant includes: (a) a Broker Firm Participant that is registered as an Introducing Broker or is a Broker with appropriate and/or equivalent regulatory status in a foreign jurisdiction but is not a bank, Swap Dealer, Investment Bank and/or is registered as an FCM; or (b) a Broker Firm Participant that operates out of multiple locations and/or has affiliated entities in other regions and has an affiliation with a competing SEF to Tradition SEF.

An Authorized Agent acts on behalf of a Broker Firm Participant. An Authorized Agent is not a Broker Firm Participant and does not have direct access to a Platform to enter Orders or execute Swaps. Authorized Agents may only place orders indirectly via their sponsoring Broker Firm Participant's infrastructure with respect to SEF activity. Authorized Agents may not place Orders directly onto Tradition SEF. Authorized Agents are subject to the same fee methodology applicable to Broker Firm Participants in categories 2 through 4 above.

Tradition SEF has posted a notice of the pending certification with the Commission and a copy of the submission on its website (*see, e.g.*, <http://www.traditionsef.com/news/>), concurrent with the filing of this submission with the Commission.

For SEF compliance or administrative questions please contact:

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For Legal questions please contact:

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