



## Tradition SEF, Inc.

### Notice to Participants 15-17

June 3, 2015

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

### **AMENDMENTS TO TRADITION SEF RULES 404, 412 AND 703 AND RULE 404 DISCLOSURE REMINDER. TRADITION SEF SUBMISSION NO. 2015-06**

Authorized Representatives:

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, Tradition SEF, Inc. ("Tradition SEF") has filed Tradition SEF Submission No. 2015-06 with the Commission to amend Tradition SEF Rule 404 (Required Disclosures to Tradition SEF), Rule 412 (Confirmations) and 703 (Cleared Swaps, Rejections and Errors), each effective as of June 18, 2015.

#### **Tradition SEF Rule Book Amendments:**

- 1) Tradition SEF Rule 404(a)(4) has been amended to provide an objective standard of "materiality" regarding notice requirements to Tradition SEF for fines imposed upon Participants, ISVs, Broker Firm Participants or Authorized Agents.
- 2) Tradition SEF Rule 412 has been amended to reflect the relief contained in CFTC No-Action Letter 15-25 under which the CFTC Division of Market Oversight would not recommend enforcement action against a SEF that, without first obtaining copies of the underlying previously-negotiated agreements between the counterparties to a non-cleared transaction, incorporates such agreements by reference in the trade confirmation required under Commission Regulation 37.6(b). Additionally, the Division of Market Oversight will not recommend an enforcement action if a SEF fails to maintain copies of the incorporated underlying agreements as required under Commission Regulations 37.1000, 37.1001, and 45.2(a).
- 3) Tradition SEF Rule 703 has been amended to pursuant to CFTC No-Action Letter 15-24 to permit Tradition SEF to correct certain errors on swap transactions that are intended to be cleared or that have been accepted for clearing.

#### **Tradition SEF Rule 404 Reminder:**

Participants are required to notify the Tradition SEF Market Regulation Department immediately upon becoming aware of certain disclosure events. Such disclosure events are contained in Tradition SEF Rule 404.



## Tradition SEF, Inc.

Please send such notices to [MarketRegulationDept@tradition.com](mailto:MarketRegulationDept@tradition.com), which is also accessible via a link from the "Contact Us" page of the SEF website <http://www.traditionsef.com/contact-us/>, or if paper copy to: Tradition SEF, Market Regulation, 255 Greenwich Street, 4<sup>th</sup> floor, New York, NY 10007.

Tradition SEF, through submission to the CFTC, certifies that the rule amendments comply with the Commodity Exchange Act and the Commission's regulations promulgated thereunder.

Tradition SEF has posted a notice of pending certification with the Commission, a copy of this submission, redline and clean versions of its Rulebook on its website, <http://www.traditionsef.com/news/>, concurrent with the filing of this submission with the Commission.

Attachments: Tradition SEF Submission No. 2015-06 (including Tradition SEF Rulebook (redline format))

For SEF administrative or compliance questions please contact:

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For legal matters, please contact:

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