

Tradition SEF, Inc. Participant Notice 13-02 – Amendment to Rule 411

October 10, 2013

Effective October 13, 2010, the Tradition SEF Rulebook has been amended as described below:

Rule 411 is being amended to comply with the conditions for the time-limited no-action relief regarding Commission Regulation 37.6(b) as provided in CFTC Letter No. 13-58, Section III Condition of Relief 2 concerning providing transaction confirmations to counterparties to a swap and recordkeeping under parts 43 and 45 of the Commission's regulations. In respect of a Swap that is not intended to be submitted for clearing (an "Uncleared Swap"), to the extent that Tradition SEF is unable to provide a confirmation to each counterparty as required by Rule §37.6(b) of the CFTC Regulations, Tradition SEF will provide notice to each counterparty to the Uncleared Swap that the Uncleared Swap has not been confirmed by Tradition SEF. Counterparties to Uncleared Swaps agree to provide Tradition SEF, prior to or promptly after the execution of each Uncleared Swap, transaction confirmations containing such information as is necessary to allow Tradition SEF to comply with its reporting and recordkeeping obligations under parts 43 and 45 of the CFTC Regulations. Such confirmations will need to contain all required confirmation data and primary economic terms data that together make up Required Swap Creation Data, in accordance with Part 43 of the CFTC Regulations, as well as all required real-time reporting data in accordance with part 43 of the CFTC Regulations.

The text of amended Rule 411 and a marked version showing the amendments to Rule 411 are attached hereto. All defined terms used herein have the meaning ascribed to such term in the Tradition SEF Rulebook available at: <http://www.traditionsef.com/news/>

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Text of amended Rule 411:

RULE 411 Confirmations

Tradition SEF shall provide each counterparty to a Swap with a written record of all the terms of the Swap which shall legally supersede any previous agreement between the parties thereto (to the extent that it is inconsistent with such agreement) and which shall serve as a confirmation of the Swap. A Swap that is executed as a block trade in accordance with Rule 509 shall be confirmed by Tradition SEF after it is reported to Tradition SEF.

In respect of a Swap that is not intended to be submitted for clearing, to the extent that Tradition SEF is unable to provide a confirmation to each counterparty as required by Rule §37.6(b) of the CFTC Regulations, Tradition SEF will provide notice to each counterparty to the Swap that the Swap has not been confirmed by Tradition SEF. By executing Swaps on or subject to these Rules, counterparties to Swaps agree to provide Tradition SEF, prior to or promptly after the execution of each Swap, with transaction confirmations containing such information as is necessary to allow Tradition SEF to comply with its reporting and recordkeeping obligations under parts 43 and 45 of the CFTC Regulations. Specifically, such confirmations will contain all required confirmation data and primary economic terms data that together make up Required Swap Creation Data, in accordance with Part 43 of the CFTC Regulations, as well as all required real-time reporting data in accordance with part 43 of the CFTC Regulations.

Marked version of Rule 411:

RULE 411 Confirmations

Tradition SEF shall provide each counterparty to a Swap with a written record of all the terms of the Swap which shall legally supersede any previous agreement between the parties thereto (to the extent that it is inconsistent with such agreement) and which shall serve as a confirmation of the Swap. A Swap that is executed as a block trade in accordance with Rule 509 shall be confirmed by Tradition SEF after it is reported to Tradition SEF.

In respect of a Swap that is not intended to be submitted for clearing, to the extent that Tradition SEF is unable to provide a confirmation to each counterparty as required by Rule §37.6(b) of the CFTC Regulations, Tradition SEF will provide notice to each counterparty to the Swap that the Swap has not been confirmed by Tradition SEF. By executing Swaps on or subject to these Rules, counterparties to Swaps agree to provide Tradition SEF, prior to or promptly after the execution of each Swap, with transaction confirmations containing such information as is necessary to allow Tradition SEF to comply with its reporting and recordkeeping obligations under parts 43 and 45 of the CFTC Regulations. Specifically, such confirmations will contain all required confirmation data and primary economic terms data that together make up Required Swap Creation Data, in accordance with Part 43 of the CFTC Regulations, as well as all required real-time reporting data in accordance with part 43 of the CFTC Regulations