

TRADITION SEF, LLC

General Counsel and Secretary

May 20, 2024

VIA CFTC Portal

Mr. Christopher Kirkpatrick
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**RE: CFTC Regulation 40.6(a) Certification.
Notification of Amendments to Tradition SEF, LLC Rulebook
Tradition SEF Submission No. 2024-01**

Dear Mr. Kirkpatrick:

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(a), Tradition SEF, LLC (“Tradition SEF”) hereby notifies the Commission of an amendment to its Rule 412 of the Rulebook to implement the requirements contained in Regulation 37.6, as described below, to be effective for Tradition SEF market participants on June 4, 2024. Additionally, changes have been made to Rule 412 to reflect expired no-action relief within CFTC No-Action Letter 17-17 regarding confirmations on Tradition SEF.

Tradition SEF has amended Rule 412 (Confirmations) in subsection (a): to clarify that swap confirmations for transactions prearranged, prenegotiated or executed anonymously in intended to be cleared swaps shall be provided as soon as technologically practicable after the execution of the swap, and; in subsection (b) to clarify that swap confirmations for uncleared swap transactions shall be provided as soon as technologically practicable after the execution of the swap, and that the terms of the Tradition SEF-provided Confirmation under CFTC Regulation 37.6(b) shall legally supersede any conflicting terms in any previous agreement between the counterparties to a transaction.

We have identified in Exhibit A the rule modifications and compliance with the SEF core principles (“Core Principles”) as set forth in Section 5h of the Commodity Exchange Act and Part 37 of the Commission’s regulations promulgated thereunder. A redline version of the Rulebook is attached hereto as Exhibit B to reflect the changes to the last version of the Rulebook.

Tradition SEF continues to be in compliance with applicable provisions of the Act, including the Core Principles. In particular, Tradition SEF has determined that it is in compliance with Core Principles 1 (Compliance with Core Principles) and 2 (Compliance with Rules), as further described in the compliance chart attached as Exhibit A.

Tradition SEF hereby certifies that the rule amendments comply with the Commodity Exchange Act and the Commission's regulations promulgated thereunder. No substantive opposing views were expressed that were not incorporated into the rule amendments. Tradition SEF hereby certifies that it has posted a notice of pending certification with the Commission and a copy of the submission on its website (*see* <http://www.traditionsef.com/regulatory/>), concurrent with the filing of this submission with the Commission.

Should you require additional information related to this submission, please contact the undersigned at (212) 377-2337 or bennett.kirschner@tradition.com. Please reference Tradition SEF Submission No. 2024-01 in any related correspondence.

Sincerely,

Bennett Kirschner

General Counsel and Secretary

Att.:
Exhibit A
Exhibit B

EXHIBIT A
Amendments to the Rulebook

Rule	Change	Explanation and Analysis of the operation, purpose, and effect of the proposed rule or rule amendment and its compliance with applicable provisions of the Act, including core principles, and the Commission’s regulations thereunder.
412	<p>Subsection (a) has been revised to clarify that swap confirmations for transactions prearranged, prenegotiated or executed anonymously in intended to be cleared swaps shall be provided as soon as technologically practicable after the execution of the swap.</p> <p>Subsection (b) has been revised to remove reference to reliance on CFTC No-Action Letter 17-17, and clarify that swap confirmations for uncleared swap transactions shall be provided as soon as technologically practicable after the execution of the swap, and that the terms of the Tradition SEF-provided Confirmation under CFTC Regulation 37.6(b) shall legally supersede any conflicting terms in a previous agreement between the counterparties to a transaction.</p>	<p>The changes to Rule 412 demonstrate Tradition SEF’s adherence to open access principles by adding provisions that adopt regulation 37.6(b) and that promote clarity and certainty in confirmations and compliance with CFTC Regulation 37.6(b).</p> <p>The changes to the Rule comply with Core Principle 2 (Compliance with Rules) and specifically with CFTC Rule 37.6(b), which requires that such confirmation to take place “as soon as technologically practicable” after the execution of the swap transaction on the SEF for both cleared and uncleared swap transactions. The Commission also proposed to amend § 37.6(b) to make clear that the SEF provided confirmation under § 37.6(b) shall legally supersede any conflicting terms in a previous agreement, rather than the entire agreement. By complying with Core Principle 2, Tradition SEF demonstrates its compliance with Core Principle 1 (Compliance with Core Principles) and CFTC Regulation 37.100, which requires that a SEF comply with any requirement that the CFTC may impose by rule or regulation.</p>

EXHIBIT B
Redlined Rulebook