

TW SEF LLC

Market Regulation Advisory Notice

Subject: Straight Through Processing (“STP”)

References: Staff Guidance on Swaps Straight Through Processing (9.26.13)

CFTC Letter No. 15-67 on STP and Affirmation of Cleared Swaps (12.21.15)

Advisory Date: June 2, 2016

Effective Date: June 20, 2016

Straight Through Processing

TW SEF LLC (“**TW SEF**”) hereby notifies its Participants that, based on guidance in Commodity Futures Trading Commission (“**CFTC**”) Letter No. 15-67 regarding straight through processing (the “**STP Letter**”), beginning August 1, 2016, all transactions in cleared swaps executed on TW SEF must be routed to and received by the relevant derivatives clearing organization (“**DCO**”) no more than 10 minutes after the execution of the transaction. This guidance applies to all cleared transactions resulting from any SEF execution protocol, including without limitation, Request-for-Quotation, Order Book and List Trading.

In that TW SEF is a purely electronic marketplace, it already submits the overwhelming majority of the swap transactions executed on its platform either directly to the relevant derivatives clearing organization (“**DCO**”) or via a third-party hub where trades are “auto-processed.” In both such cases, SEF-executed swap transactions are typically cleared within seconds after execution. There are a handful of TW SEF Participants (of the several hundred on-boarded on our platform), however, that use a third-party hub without auto-processing, to allow a manual post-execution affirmation process. TW SEF has advised all Participants who use this third-party hub for manual affirmation, that in accordance with the requirements of the STP Letter, by July 15, 2016, **TW SEF will require that any SEF-executed trades in cleared swaps submitted to the third-party hub must be auto-processed.**

TW SEF’s operations team is ready to assist with readiness testing of auto-processing or other functionality, and can be reached at help@tradeweb.com.

If you have any questions or would like any additional information, please contact TW SEF at (646) 430-6001.