

May 16, 2024

Submitted via Portal

U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: CFTC Regulation 40.6(a) Certification: Amendment to the Bloomberg SEF LLC Rulebook
BSEF Submission No. 2024-R-06

Ladies and Gentlemen:

Bloomberg SEF LLC (“**BSEF**”) is certifying to the U.S. Commodity Futures Trading Commission (“**CFTC**” or “**Commission**”) the amendment of Rule 523 (“**Rule Amendment**”). The Rule Amendment is effective on **May 31, 2024**. A concise explanation of the Rule Amendment is in the below table.

Chapter	Rule	Amendment Explanation
Chapter 5. Trading Practices, Reporting, Clearing and Business Conduct	Rule 523. Trade Confirmations	Amended to Incorporate the CFTC’s revisions to CFTC Rule 37.6, that clarifies the timing of notifications to confirm each trade after execution of the trade.

Exhibit A provides amendments to the applicable BSEF Rulebook Chapter in redline format. A clean copy is attached hereto as **Exhibit B**.

BSEF reviewed the swap execution facility core principles (“**Core Principles**”) as set forth in the Commodity Exchange Act (“**Act**” or “**CEA**”) and identified that the Rule Amendment in **Rule 523** may have some bearing on the following Core Principles:

- **Monitoring of Trading and Trade Processing (Core Principle 4)**: The amendment to Chapter 5 (Rule 523) provides guidance regarding protocol for trade notifications after execution.
- **Availability of General Information (Core Principle 7)**: BSEF will make publicly available the details of the Rule Amendment by publishing this submission on Bloomberg SEF’s website.
- **Timely publication of trading information (Core Principle 9)**: BSEF has the capacity to electronically capture and transmit trade information with respect to transactions executed on the facility.
- **Recordkeeping and reporting (Core Principle 10)**: BSEF will maintain records of all activities relating to the business of the facility, including a complete audit trail, in a form and manner acceptable to the Commission for a period of five years.

Pursuant to Section 5c(c) of the Act and CFTC Regulations 40.6(a), BSEF hereby certifies that the Rule Amendment complies with the Act, including all regulations thereunder. There were no substantive opposing views to the proposal.

Bloomberg SEF certifies that this submission has been concurrently posted on the BSEF website at <https://www.bloomberg.com/professional/product/sef-compliance>.

Please contact the undersigned at (212) 617-7331 with any questions regarding this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Daniel Glatter', written over a horizontal line.

Daniel Glatter
Chief Compliance Officer

Bloomberg SEF LLC
73 I Lexington Avenue
New York, NY 10022

Enclosure

Exhibit A

BLOOMBERG SEF LLC RULEBOOK

MAY ~~13~~31, 2024

- (a) Disclosed Order Book for Permitted Transactions in foreign exchange Swaps;
- (b) Anonymous CLOB for Permitted Transactions in rate and credit Swaps that are Cleared Swaps;
- (c) Disclosed CLOB for Permitted Transactions in rate and credit Swaps that are Non-Cleared Swaps;
- (d) RFQS for rate, credit, non-deliverable forwards; and
- (e) RFQT for all Swaps.

RULE 522.C. Package Transactions

- (a) Other than as set forth in Rule 522.C(b), a Package Transaction or a component of a Package Transaction that is a Required Transaction must be executed as provided in Rule 522.A.
- (b) A Covered Package Transaction or a component of a Covered Package Transaction that is a Required Transaction may be executed using RFQT in accordance with CFTC Rule 37.9(d) or No-Action Letter 22-15, which expires November 15, 2025.

RULE 522.D. Execution of Swaps Subject to the Clearing Exemption

No Participant shall enter into a Clearing Exempt Transaction unless it (or its Account or Customer) or its Counterparty can claim a Clearing Exception with respect to such Clearing Exempt Transaction. An Order for a Clearing Exempt Transaction will be rejected if an applicable Clearing Exception Form is not on file with BSEF.

RULE 522.E. Block Trades in Swaps

- (a) Block Trades in Swaps may be executed using the Request for Quote Functionality. BSEF will report each Block Trade to an SDR as set forth in BSEF Rule 532(d).
- (b) Each Counterparty to a Block Trade must be an ECP.
- (c) The aggregation of Orders for different accounts to satisfy the Minimum Block Trade size is permissible only by a Person who is a Qualified Account Manager.
- (d) A Qualified Account Manager transacting an aggregated Block Trade on behalf of any other Person must receive prior Written instruction or consent from each such other Person to do so. Such instruction or consent may be provided in the power of attorney or similar document by which the other Person provides the Person with discretionary trading authority or the authority to direct the trading in its account.

RULE 523. Trade Confirmations

- (a) BSEF will confirm each Trade ~~at~~ as soon as technologically practicable after the ~~same time as~~ execution of the Trade. BSEF will provide each Counterparty to a Trade that is entered into on or pursuant to the BSEF Rules with a Written record of all of the terms of the

Trade which shall legally supersede any conflicting terms of any previous agreement and serve as a confirmation of the transaction (a “**Confirmation**”) as soon as technologically practicable after the execution of a Trade. Such terms shall legally supersede any previous agreement and serve as a confirmation of the Trade. BSEF will not include specific customer identifiers for accounts included in Bunched Orders if the applicable requirements of CFTC Regulation 1.35(b)(5) are met.

(b) On the Confirmation BSEF will:

(i) ~~provide~~Provide the UTI for the Trade and the name of the SDR where the Trade is reported;

(ii) ~~identify~~Identify the Counterparty that is a Reporting Counterparty pursuant to CFTC Regulation 45.8, and notify each Counterparty or its agent if the Counterparty is a Reporting Counterparty, using the information provided by a Participant pursuant to Rule 524.A or 524.C; and

(iii) ~~if~~if both Counterparties have equal reporting status under CFTC Regulation 45.8, BSEF will designate the Reporting Counterparty using the following rules:

(A) For the rates asset class, the Reporting Counterparty will be determined as set forth in the table below:

A Trade that is not a leg of a Package Transaction	A Package Transaction defined on the SEF Platform as “curves”	A Package Transaction defined on the SEF Platform as “butterflies”	A Package Transaction defined on the SEF Platform as “rolls”	Package Transactions executed via the BOLT functionality of the SEF Platform
in accordance with the ISDA Dodd-Frank Act – Swap Transaction Reporting Party Requirements, the relevant portion of which is attached to this Rulebook as <u>Annex A</u>	the fixed rate payer on the leg with longer maturity is the Reporting Counterparty on all legs	the fixed rate payer on the leg with the middle tenor (“body”) is the Reporting Counterparty on all legs	the fixed rate payer of the far month leg is the Reporting Counterparty on all legs	on an individual leg basis in accordance with the ISDA Dodd-Frank Act – Swap Transaction Reporting Party Requirements, the relevant portion of which is attached to this Rulebook as <u>Annex A</u>

(B) For the credit asset class, the Reporting Counterparty will be determined as set forth in the table below:

A Trade that is not a	A Package	A Package Transaction	A Package
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Exhibit B

RULE 522.C. Package Transactions

(a) Other than as set forth in Rule 522.C(b), a Package Transaction or a component of a Package Transaction that is a Required Transaction must be executed as provided in Rule 522.A.

(b) A Covered Package Transaction or a component of a Covered Package Transaction that is a Required Transaction may be executed using RFQT in accordance with CFTC Rule 37.9(d) or No-Action Letter 22-15, which expires November 15, 2025.

RULE 522.D. Execution of Swaps Subject to the Clearing Exemption

No Participant shall enter into a Clearing Exempt Transaction unless it (or its Account or Customer) or its Counterparty can claim a Clearing Exception with respect to such Clearing Exempt Transaction. An Order for a Clearing Exempt Transaction will be rejected if an applicable Clearing Exception Form is not on file with BSEF.

RULE 522.E. Block Trades in Swaps

(a) Block Trades in Swaps may be executed using the Request for Quote Functionality. BSEF will report each Block Trade to an SDR as set forth in BSEF Rule 532(d).

(b) Each Counterparty to a Block Trade must be an ECP.

(c) The aggregation of Orders for different accounts to satisfy the Minimum Block Trade size is permissible only by a Person who is a Qualified Account Manager.

(d) A Qualified Account Manager transacting an aggregated Block Trade on behalf of any other Person must receive prior Written instruction or consent from each such other Person to do so. Such instruction or consent may be provided in the power of attorney or similar document by which the other Person provides the Person with discretionary trading authority or the authority to direct the trading in its account.

RULE 523. Trade Confirmations

(a) BSEF will confirm each Trade as soon as technologically practicable after the execution of the Trade. BSEF will provide each Counterparty to a Trade that is entered into on or pursuant to the BSEF Rules with a Written record of all of the terms of the Trade which shall legally supersede any conflicting terms of any previous agreement and serve as a confirmation of the transaction (a “**Confirmation**”) as soon as technologically practicable after the execution of a Trade. Such terms shall legally supersede any previous agreement and serve as a confirmation of the Trade. BSEF will not include specific customer identifiers for accounts included in Bunched Orders if the applicable requirements of CFTC Regulation 1.35(b)(5) are met.

(b) On the Confirmation BSEF will:

(i) Provide the UTI for the Trade and the name of the SDR where the Trade is reported;

(ii) Identify the Counterparty that is a Reporting Counterparty pursuant to CFTC Regulation 45.8, and notify each Counterparty or its agent if the Counterparty is a Reporting Counterparty, using the information provided by a Participant pursuant to Rule 524.A or 524.C; and

(iii) If both Counterparties have equal reporting status under CFTC Regulation 45.8, BSEF will designate the Reporting Counterparty using the following rules:

(A) For the rates asset class, the Reporting Counterparty will be determined as set forth in the table below:

A Trade that is not a leg of a Package Transaction	A Package Transaction defined on the SEF Platform as “curves”	A Package Transaction defined on the SEF Platform as “butterflies”	A Package Transaction defined on the SEF Platform as “rolls”	Package Transactions executed via the BOLT functionality of the SEF Platform
in accordance with the ISDA Dodd-Frank Act – Swap Transaction Reporting Party Requirements, the relevant portion of which is attached to this Rulebook as Annex A	the fixed rate payer on the leg with longer maturity is the Reporting Counterparty on all legs	the fixed rate payer on the leg with the middle tenor (“body”) is the Reporting Counterparty on all legs	the fixed rate payer of the far month leg is the Reporting Counterparty on all legs	on an individual leg basis in accordance with the ISDA Dodd-Frank Act – Swap Transaction Reporting Party Requirements, the relevant portion of which is attached to this Rulebook as Annex A

(B) For the credit asset class, the Reporting Counterparty will be determined as set forth in the table below:

A Trade that is not a Package Transaction	A Package Transaction defined on the SEF Platform as a “curve”	A Package Transaction defined on the SEF Platform as a “roll”	A Package Transactions defined on the SEF Platform as a “switch”
the seller of protection is the Reporting Counterparty	the seller of protection on the leg with longer maturity is the Reporting Counterparty on all legs	the seller of protection on the leg with longer maturity is the Reporting Counterparty on all legs	the seller of protection on the second leg of the switch (as displayed on the SEF Platform) is the reporting counterparty for all legs