

Bloomberg SEF Rule 516.A: Notification of Action Taken and Trade Review-Cleared Swaps

This Notice to Participants 2023-R-11 supersedes Notice to Participants 2016-8 and Notice to Participants 2020-1.

An Error Trade executed on BSEF on a non-anonymous basis can be corrected by Participants as set forth in BSEF Rule 516.A, by using RFQT to send an RFQ to the other Participant affected by the Error Trade and indicating that the potential trade is “Correcting Trade” or “Offsetting Trade.”

Using RFQT with the “Correcting Trade” or “Offsetting Trade” indicators will constitute notice to the Compliance Department and will grant BSEF’s permission to the Participants to execute an Offsetting Trade and/or Correcting Trade, subject to ex post facto review by the Compliance Department as set forth in Rule 516.A(a)(ii). Bloomberg SEF will provide “Correcting Trade” or “Offsetting Trade” indicators to a Recipient Participant in the RFQT message.

Upon request of the Compliance Department, a Participant shall provide details sufficient to identify the Error Trade (e.g., UTI, FIT/FITDNA key, or Swap contract, notional amount, price/spread, Clearing House, and execution time).

Participants can pre-arrange an Offsetting Trade and/or Correcting Trade in accordance with Rule 531.B.

“Correcting Trade” or “Offsetting Trade” indicators must be provided with an RFQ for an Offsetting Trade or Correcting Trade regardless of whether the Offsetting Trade and/or Correcting Trade is a Required Transaction. Failure to provide the Correcting Trade or Offsetting Trade indicators for any Offsetting Trade or Correcting Trade, including trades that are Permitted Transactions, will constitute a violation of Rule 516.A.

Participants should be aware that Bloomberg SEF makes available the Correcting Trade and Offsetting Trade indicators in the trading message API sent to liquidity providers.

Capitalized terms used, but not defined herein, shall have the meanings ascribed to them in the Bloomberg SEF Rulebook.

Effective Date: August 28, 2023