

September 8, 2023

Submitted via Portal

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

Re: CFTC Regulation 40.6(a) Product Delisting (No Open Interest)  
BSEF Submission No. 2023-R-14

Ladies and Gentlemen:

Bloomberg SEF LLC (“**Bloomberg SEF**”) is certifying to the U.S. Commodity Futures Trading Commission (“**CFTC**” or “**Commission**”) the delisting of four credit default swap (“**CDS**”) contracts as set forth in the table below, effective on September 8, 2023. The underlying indexes, LCDX and MCDX, are no longer supported by the index publisher. There is no open interest on BSEF in the Contracts.<sup>1</sup>

Contract Title	Rulebook Chapter
CDS Index Contract – LCDX	Rule 1223
CDS Index Contract – MCDX	Rule 1224
Option – CDS Index Contract – LCDX	Rule 1226
Option – CDS Index Contract – MCDX	Rule 1227

**Exhibit A** provides amendments to the applicable BSEF Rulebook Chapters in redline format.

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

---

<sup>1</sup> As of August 31, 2023, LCDX no longer has securities with maturities outstanding. MCDX still does have maturities outstanding. Neither LCDX nor MCDX have been traded on BSEF since January 1, 2018.

- **Emergency Authority:** Contracts are not subject to the mandatory trading determination under CFTC Rule 37.12. Therefore, there will be no market disruption related to their delisting.
- **Availability of General Information:** Bloomberg SEF will make publicly available the details of the delisting by publishing this submission on Bloomberg SEF's website.

Pursuant to Section 5c(c) of the Act and CFTC Regulations 40.6(a), Bloomberg SEF hereby certifies that the delisting of the Contracts complies with the Act, including regulations under the Act. There were no substantive opposing views to the proposal.

Bloomberg SEF certifies that this submission has been concurrently posted on the Bloomberg SEF 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,



Daniel Glatter  
Chief Compliance Officer

Bloomberg SEF LLC  
731 Lexington Avenue  
New York, NY 10022

**Enclosure**

**Exhibit A**

**RULE 1223. [Reserved] CDS Index Contract – LCDX**

<b>Contract Overview</b>	An agreement to buy or sell protection on a basket comprised of a number of 100 reference entities, referencing first lien leveraged loans CDS.
<b>Ticker</b>	LCDX [series number] [tenor]
<b>Index</b>	LCDX: all series
<b>Currency</b>	USD
<b>Quoting Convention and Minimum Increment</b>	CLOB: \$0.0025 Trading Protocols other than CLOB: As agreed by counterparties
<b>Minimum Size</b>	CLOB: \$1,000,000 Trading Protocols other than CLOB: As agreed by counterparties
<b>Trading Conventions</b>	Buy = Buy Protection, the buyer of protection pays a premium to the seller in case of a credit event occurring.  Sell = Sell Protection, the seller of protection receives the premium payments from the protection buyer. The Seller owns the credit risk of the instrument.
<b>Swap Conventions</b>	Traded on price  Fixed coupon payments are calculated at a spread of 250 bps and exchanged on a quarterly basis.
<b>Swap Tenor</b>	Any
<b>Effective Date</b>	The date on which parties begin calculating accrued obligations such as fixed payments. Also known as the start date of the swap.
<b>Maturity Date</b>	The final date on which the obligations no longer accrue and the final payment occurs.
<b>Settlement</b>	Contingent payment – Payments related to credit event settlement will be determined pursuant to the 2009 ISDA Credit Derivatives Determination Committees and Auction Settlement Supplement, (ie the Big Bang Protocol).  Fixed Quarterly cash payments – reflected in basis points and paid by the protection buyer to the protection seller.  Upfront fee payment – The upfront fee is a portion of the payments, expressed in percentage points of the notional, which is present valued and paid immediately to the seller.
<b>Trading Hours and Venue</b>	00:01–24:00 Sunday–Friday; Eastern Time
<b>Clearing House</b>	Chicago Mercantile Exchange, Inc.; ICE Clear Credit LLC; ICE Clear Europe Limited; LCH.Clearnet SA. or Bilateral
<b>Block Size</b>	As set forth in Appendix F to Part 43 of the CFTC Regulations
<b>Speculative Limits</b>	As set in Part 150 of the CFTC Regulations
<b>Reportable Levels</b>	As set in the CFTC Regulation 15.03

**RULE 1224. [Reserved] CDS Index Contract – MCDX**

<b>Contract Overview</b>	An agreement to buy or sell protection on a basket comprised of a number of 50 CDS contracts referencing municipal issuers as the Reference Entity.
<b>Ticker</b>	MCDX [series number] [tenor]
<b>Index</b>	MCDX: all-series
<b>Currency</b>	USD
<b>Quoting Convention and Minimum Increment</b>	CLOB: \$0.0025 Trading Protocols other than CLOB: As agreed by counterparties
<b>Minimum Size</b>	CLOB: \$1,000,000 Trading Protocols other than CLOB: As agreed by counterparties
<b>Trading Conventions</b>	Buy = Buy Protection, the buyer of protection pays a premium to the seller in case of a credit event occurring.  Sell = Sell Protection, the seller of protection receives the premium payments from the protection buyer. The Seller owns the credit risk of the instrument.
<b>Swap Conventions</b>	Traded on spread  Fixed-coupon payments are calculated at a spread of 100 bps and exchanged on a quarterly basis.
<b>Swap Tenor</b>	Any
<b>Effective Date</b>	The date on which parties begin calculating accrued obligations such as fixed payments. Also known as the start date of the swap.
<b>Maturity Date</b>	The final date on which the obligations no longer accrue and the final payment occurs.
<b>Settlement</b>	Contingent payment – Payments related to credit event settlement will be determined pursuant to the 2009 ISDA Credit Derivatives Determination Committees and Auction Settlement Supplement, (ie the Big Bang Protocol).  Fixed Quarterly cash payments – reflected in basis points and paid by the protection buyer to the protection seller.  Upfront fee payment – The upfront fee is a portion of the payments, expressed in percentage points of the notional, which is present valued and paid immediately to the seller.
<b>Trading Hours and Venue</b>	00:01–24:00 Sunday–Friday; Eastern Time
<b>Clearing House</b>	Chicago Mercantile Exchange, Inc.; ICE Clear Credit LLC; ICE Clear Europe Limited; LCH.Clearnet SA. or Bilateral
<b>Block Size</b>	As set forth in Appendix F to Part 43 of the CFTC Regulations
<b>Speculative Limits</b>	As set in Part 150 of the CFTC Regulations
<b>Reportable Levels</b>	As set in the CFTC Regulation 15.03

**RULE 1226. [Reserved]Option—CDS Index Contract—LCDX**

<b>Contract Overview</b>	An agreement granting the owner the right, but not the obligation, to enter into a Swap listed for trading on BSEF which is exercisable only on a specific date. Upon exercise of the option, the counterparties enter into and submit the underlying swap for clearing by a derivative clearing organization set forth below (the "Clearing House").
<b>Ticker</b>	LCDX CDSI {Series} {Tenor} {Expiry} {Direction} {Strike}
<b>Underlying Swap</b>	CDS Index Contract—LCDX
<b>Index of Underlying Swap</b>	LCDX: all series
<b>Tenor of Underlying Swap</b>	Any
<b>Currency</b>	USD
<b>Quoting Convention and Minimum Increment</b>	As agreed by counterparties
<b>Minimum Size</b>	As agreed by counterparties
<b>Trading Conventions</b>	Payer Option=right but not the obligation to buy protection by purchasing the underlying Swap whereby the buyer of protection pays a premium to the seller in case of a credit event occurring. Credit events include bankruptcy and failure to pay.  Receiver Option= right but not the obligation to Sell Protection by selling the underlying Swap whereby the seller receives the premium payments from the protection buyer. The seller owns the credit risk of the underlying swap.
<b>Option Strike Price</b>	Fixed coupon of the underlying swap
<b>Option Expiry Date</b>	As agreed by the parties
<b>Exercise method</b>	The owner must notify the writer of the option of its intent to exercise the option during regular business hours on the Expiry Date. The form and method of notification shall be as agreed by the counterparties. Upon exercise of the option, the counterparties must submit the underlying Swap for clearing to the Clearing House.
<b>Trading Hours and Venue</b>	00:01–24:00–Sunday–Friday; Eastern Time
<b>Clearing House for the underlying Swap</b>	Chicago Mercantile Exchange, Inc.; ICE Clear Credit LLC; ICE Clear Europe Limited; LCH.Clearnet SA. or Bilateral
<b>Block Size</b>	As set forth in Appendix F to Part 43 of the CFTC Regulations
<b>Speculative Limits</b>	Same as for the underlying Swap
<b>Reportable Levels</b>	Same as for the underlying Swap

**RULE 1227. [Reserved] Option—CDS Index Contract—MCDX**

<b>Contract Overview</b>	An agreement granting the owner the right, but not the obligation, to enter into a Swap listed for trading on BSEF which is exercisable only on a specific date. Upon exercise of the option, the counterparties enter into and submit the underlying swap for clearing by a derivative clearing organization set forth below (the "Clearing House").
<b>Ticker</b>	MCDX CDSI [Series] [Tenor] [Expiry] [Direction] [Strike]
<b>Underlying Swap</b>	CDS Index Contract—MCDX
<b>Index of Underlying Swap</b>	MCDX; all series
<b>Tenor of Underlying Swap</b>	Any
<b>Currency</b>	USD
<b>Quoting Convention and Minimum Increment</b>	As agreed by counterparties
<b>Minimum Size</b>	As agreed by counterparties
<b>Trading Conventions</b>	Payer Option=right but not the obligation to buy protection by purchasing the underlying Swap whereby the buyer of protection pays a premium to the seller in case of a credit event occurring. Credit events include bankruptcy and failure to pay.  Receiver Option= right but not the obligation to Sell Protection by selling the underlying Swap whereby the seller receives the premium payments from the protection buyer. The seller owns the credit risk of the underlying swap.
<b>Option Strike Price</b>	Fixed coupon of the underlying swap
<b>Option Expiry Date</b>	As agreed by the parties
<b>Exercise method</b>	The owner must notify the writer of the option of its intent to exercise the option during regular business hours on the Expiry Date. The form and method of notification shall be as agreed by the counterparties. Upon exercise of the option, the counterparties must submit the underlying Swap for clearing to the Clearing House.
<b>Trading Hours and Venue</b>	00:01–24:00 Sunday–Friday; Eastern Time
<b>Clearing House for the underlying Swap</b>	Chicago Mercantile Exchange, Inc.; ICE Clear Credit LLC; ICE Clear Europe Limited; LCH.Clearnet SA. or Bilateral
<b>Block Size</b>	As set forth in Appendix F to Part 43 of the CFTC Regulations
<b>Speculative Limits</b>	Same as for the underlying Swap
<b>Reportable Levels</b>	Same as for the underlying Swap