



Bloomberg SEF LLC

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November 13, 2023

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. Amendments to the BSEF LLC Rulebook
BSEF Submission No. **2023-R-16**

Ladies and Gentlemen:

Bloomberg SEF LLC (“BSEF”) is certifying to the U.S. Commodity Futures Trading Commission (“**CFTC**” or “**Commission**”) the: (i) addition of Rules 1223,1224; (ii) amending Rules 532(d), 1315; and (iii) delisting Rule 1367 (collectively, “Rule Amendments”). The Rule Amendments are effective on **November 27, 2023**. A concise explanation of the Rule Amendments is in the below table.

Title	Rulebook Chapter	Amendment Explanation
BSEF Rulebook	Rule 532(d)	Amended to clarify how BSEF will report Block Trades to SDR
CDS Index Product	Rule 1223	Adding Rule 1223 CDS Index Product - CDX Emerging Markets IG Index
CDS Index Contract	Rule 1224	Adding Rule 1224 CDS Index Contract - CDX Emerging Markets HY Index
USD Basis Swap Contract	Rule 1315	Modifying USD Basis Swap Contract to remove reference to BSBY
USD BSBY Fixed-to-Floating Swap Contract	Rule 1367	Delisting USD BSBY Fixed-to-Floating Swap Contract

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 of the Contract in **Rule 1367**, the amendment of terms in **Rule 532(d)**, **Rules 1223, 1224, and 1315** may have some bearing on the following Core Principles:

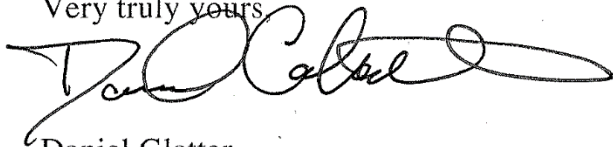
- **Swaps Not Readily Susceptible to Manipulation (Core Principle 3)**: BSEF believes that Rule Amendments do not change the prior determination that swaps listed in Rule 1315 are not readily susceptible to manipulation.
- **Emergency Authority (Core Principle 6)**: Contracts are not subject to the mandatory trading determination under CFTC Rule 37.12. Therefore, there will be no market disruption related to their delisting.
- **Availability of General Information (Core Principle 7)**: 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), BSEF hereby certifies that the Rule Amendments and delisting comply 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,



Daniel Glatter
Chief Compliance Officer

Bloomberg SEF LLC
731 Lexington Avenue
New York, NY 10022

Enclosure

cc: Brian Robinson, Special Counsel
Division of Market Oversight
U.S. Commodity Futures Trading Commission

Exhibit A

Covered Package Transaction that is a Required Transaction must be executed on the SEF Platform via RFQT.

(b) Two Participants may pre-arrange a Permitted Transaction subject to BSEF Rules outside the SEF Platform, provided, however, that such Permitted Transaction must be executed on the SEF Platform via RFQT.

RULE 532. Reporting to SDR

(a) BSEF will report each Trade to an SDR of BSEF's choice as soon as technologically practicable after the execution of such Trade. For Cleared Swaps, BSEF will report all real-time data required by Part 43 of the CFTC Regulations and all creation data required by Part 45 of the CFTC Regulations. Until the expiration date of CFTC No-Action Letter 17-17, for Non-Cleared Swaps, BSEF will report all real-time data required by Part 43 of the CFTC Regulations and all primary economic terms data required by Part 45 of the CFTC Regulations, as well as any confirmation data that is readily available and collected by BSEF.

(b) The Reporting Counterparty designated in accordance with subsection (b) of Rule 523 shall comply with all reporting obligations set forth in Part 45 of the CFTC Regulations applicable to a Reporting Counterparty including reporting Trade allocations.

(c) BSEF will report the actual notional or principal amount of a Block Trade to the appropriate SDR as set forth in Part 43 and Part 45 of the CFTC Regulation.

(d) Each Participant that has executed on or pursuant to the Rules of the SEF operated by BSEF ~~will report any~~ Trade that is a Block Trade ~~as a "block trade"~~, shall be deemed to have elected for purposes of Part 43 and Part 45 of CFTC Regulations to have such Block Trade reported to an SDR indicating a real-time reporting delay provided by Part 43 of the CFTC Regulations.

(e) Each Participant that is the Reporting Counterparty, or an Account Manager or broker for a Reporting Counterparty shall review the Trade details as soon as technologically practicable upon transmission of the Trade details to the Participant. The non-reporting counterparty shall report any errors in such Trade details to the Reporting Counterparty as soon as technologically practicable. The Reporting Counterparty shall report all errors in such Trade details to BSEF as soon as technologically practicable after finding or being made aware of any error or omission in the data as reported and/or maintained by the relevant SDR. BSEF shall then submit the corrected data to the relevant SDR.

(f) No Person, including BSEF, shall submit or agree to submit a cancellation or correction for the purpose of re-reporting Swap transaction and pricing data in order to gain or extend a delay in public dissemination of accurate Swap transaction or pricing data or to otherwise evade the reporting requirements in Part 43 of the CFTC Regulations.

(g) BSEF will report all Trades to DTCC Data Repository (U.S.) LLC.

RULE 1223. ~~Reserved~~ CDS Index Contract – CDX Emerging Markets Investment Grade

<u>Contract Overview</u>	Credit Default Swap. An agreement to buy or sell protection on a basket comprised of a number of sovereign issues domiciled in Asia, EEMEA (Eastern Europe, Middle East, Africa), and Latin America with an investment grade rating.
<u>Ticker</u>	CDX EM IG CDSI [series number] [tenor]
<u>Index</u>	CDX Emerging Markets Investment Grade; all series
<u>Index Type</u>	Corporate; Untranchd
<u>Index Version</u>	Current version
<u>Index Term Value</u>	Same as Tenor
<u>Index Factor</u>	Current factor
<u>Currency</u>	USD
<u>Quoting Convention</u>	Price
<u>Minimum Increment</u>	Order Book: \$0.0025 Trading Protocols other than Order Book: As agreed by counterparties
<u>Minimum Size</u>	Order Book: \$1,000,000 Trading Protocols other than Order Book: As agreed by counterparties
<u>Trading Conventions</u>	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.
<u>Swap Tenor</u>	Any
<u>Effective Date</u>	The date on which parties begin calculating accrued obligations such as fixed payments. Also known as the start date of the swap.
<u>Maturity Date/Expiration Date</u>	The final date on which the obligations no longer accrue, and the final payment occurs.
<u>Delivery Type</u>	Cash
<u>Settlement</u>	<i>Contingent payment</i> – Payments related to credit event settlement will be determined pursuant to the 2014 ISDA Credit Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc. <i>Fixed Quarterly cash payments</i> – Reflected in basis points and paid by the protection buyer to the protection seller. <i>Upfront fee payment</i> – 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.
<u>Settlement Date</u>	Same as Expiration Date
<u>Settlement Currency</u>	USD
<u>“Made Available to Trade” Determination</u>	None
<u>Mandatory Clearing Determination</u>	None
<u>Trading Hours</u>	00:01 -24:00 Sunday-Friday; Eastern Time
<u>Settlement Procedure</u>	Bilateral
<u>Clearing House</u>	Bilateral
<u>Block Size</u>	As set forth in Part 43 of the CFTC Regulations
<u>Speculative Limits</u>	As set forth in Part 150 of the CFTC Regulations
<u>Reportable Levels</u>	As set forth in CFTC Regulation 15.03

RULE 1224. ~~Reserved~~ CDS Index Contract – CDX Emerging Markets High Yield

<u>Contract Overview</u>	<u>Credit Default Swap. An agreement to buy or sell protection on a basket comprised of a number of sovereign issues domiciled in Asia, EEMEA (Eastern Europe, Middle East, Africa), and Latin America with credit ratings below “BBB-” or “Baa3” that trade in the CDS market.</u>
<u>Ticker</u>	<u>CDX EM HY CDSI [series number] [tenor]</u>
<u>Index</u>	<u>CDX Emerging Markets High Yield; all series</u>
<u>Index Type</u>	<u>Corporate; Untranchd</u>
<u>Index Version</u>	<u>Current version</u>
<u>Index Term Value</u>	<u>Same as Tenor</u>
<u>Index Factor</u>	<u>Current factor</u>
<u>Currency</u>	<u>USD</u>
<u>Quoting Convention</u>	<u>Price</u>
<u>Minimum Increment</u>	<u>Order Book: \$0.0025</u> <u>Trading Protocols other than Order Book: As agreed by counterparties</u>
<u>Minimum Size</u>	<u>Order Book: \$1,000,000</u> <u>Trading Protocols other than Order Book: As agreed by counterparties</u>
<u>Trading Conventions</u>	<u>Buy = Buy Protection, the buyer of protection pays a premium to the seller in case of a credit event occurring.</u> <u>Sell = Sell Protection, the seller of protection receives the premium payments from the protection buyer. The seller owns the credit risk of the instrument.</u>
<u>Swap Tenor</u>	<u>Any</u>
<u>Effective Date</u>	<u>The date on which parties begin calculating accrued obligations such as fixed payments. Also known as the start date of the swap.</u>
<u>Maturity Date/Expiration Date</u>	<u>The final date on which the obligations no longer accrue and the final payment occurs.</u>
<u>Delivery Type</u>	<u>Cash</u>
<u>Settlement</u>	<u>Contingent payment – Payments related to credit event settlement will be determined pursuant to the 2014 ISDA Credit Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc.</u> <u>Fixed Quarterly cash payments – Reflected in basis points and paid by the protection buyer to the protection seller.</u> <u>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.</u>
<u>Settlement Date</u>	<u>Same as Expiration Date</u>
<u>Settlement Currency</u>	<u>USD</u>
<u>“Made Available to Trade” Determination</u>	<u>None</u>
<u>Mandatory Clearing Determination</u>	<u>None</u>
<u>Trading Hours</u>	<u>00:01 -24:00 Sunday-Friday; Eastern Time</u>
<u>Settlement Procedure</u>	<u>Bilateral</u>
<u>Clearing House</u>	<u>Bilateral</u>
<u>Block Size</u>	<u>As set forth in Part 43 of the CFTC Regulations</u>
<u>Speculative Limits</u>	<u>As set forth in Part 150 of the CFTC Regulations</u>
<u>Reportable Levels</u>	<u>As set forth in CFTC Regulation 15.03</u>

RULE 1315. USD Basis Swap Contract

Contract Overview	An agreement to exchange a stream of cash flows by applying two floating interest rates to a specified notional over a term to maturity.
Ticker	USD SWAP [floating rate 1] V [floating rate 2] [tenor]
Currency	USD
Floating Rate Index	1-Month USD-BSBY 3-Month USD-BSBY SOFR Fed Funds
Quoting Convention and Minimum Increment	As agreed by the counterparties
Minimum Size	As agreed by the counterparties
Trading Conventions	Buy = Pay Spread Sell = Receive Spread
Swap Conventions	<p>BSBY Floating Leg Payment/Resets: Monthly, Quarterly Day Count Conventions: ACT/360, or as agreed by the counterparties Holiday Calendar: US, or as agreed by the counterparties Fixing Calendar: USGS Business Day Conventions: Modified Following</p> <p>SOFR Floating Leg Payment/Resets: Monthly, Quarterly, Semi-annual, Annual, At Maturity Day Count Conventions: ACT/360, or as agreed by the counterparties Holiday Calendar: England, US, or as agreed by the counterparties Fixing Calendar: USGS Business Day Conventions: Modified Following</p> <p>Fed Funds Floating Leg Payment/Resets: Monthly, Quarterly, Semi-annual, Annual, At Maturity Day Count Conventions: ACT/360, or as agreed by the counterparties Holiday Calendar: US, or as agreed by the counterparties Fixing Calendar: US Business Day Conventions: Modified Following</p>
Swap Tenor	The duration of time from the effective date to the maturity date. A contract can have a tenor from 28 days to up to 50 years.
Effective Date	The date on which parties begin calculating accrued obligations such as fixed and floating interest rate payments (i.e., the start date of the swap).
Maturity Date	The final date on which the obligations no longer accrue and the final payment occurs.
Periodic Settlement: Payment and Resets	<p>Floating Leg 1: The payment amount of the Floating Leg 1 is based on the following: Notional, Payment Frequency, Day Count Convention, Floating Interest Rate Index, and Floating Reset Dates.</p> <p>Floating Leg 2: The payment amount of the Floating Leg 2 is based on the following: Notional, Payment Frequency, Day Count Convention, Floating Interest Rate Index and Floating Reset Dates.</p> <p>Payments are settled in accordance with the payment frequency of the swap.</p>
First Fixing Date	<p>If BSBY is one of the index leg tenors, the First Fixing Date is two U.S. Government Securities business days prior to the Effective Date of the swap.</p> <p>If Fed Funds or SOFR is one of the index leg tenors, the The first Fixing Date will equal the effective date of the swap.</p>
Trade Start Types	<p>Spot: A new swap where the Effective Date is T+2 from the trade date.</p> <p>Non-Spot: Any date where the Effective Date is a date other than the spot date.</p>
Settlement Procedure	As determined by the Clearing House
Trading Hours	00:01-24:00 Sunday-Friday Eastern Time
Clearing House	<ul style="list-style-type: none"> SOFR v Fed Funds: Chicago Mercantile Exchange, Inc., LCH.Clearnet Ltd., Eurex Clearing Aktiengesellschaft or Bilateral SOFR v BSBY: Chicago Mercantile Exchange, Inc., LCH.Clearnet Ltd. or Bilateral Tenor BSBY Basis: LCH.Clearnet Ltd. or Bilateral
Block Size	As set forth in Appendix F to Part 43 of the CFTC Regulations.

RULE 1367. ~~USD BSBY Fixed-to-Floating Swap Contract~~[\[Reserved\]](#)

Contract Overview	An agreement to exchange a stream of cash flows by applying a fixed and floating interest rate to a specified notional over a term to maturity.
Ticker	USD SWAP vs [BSBY 1M]; USD SWAP vs [BSBY 3M]
Currency	USD
Floating Rate Index	BSBY
Floating Rate Index Maturity	1M, 3M
Fixed Rate	Par; custom coupon
Quoting Convention and Minimum Increment	As agreed by the counterparties
Contract Size	As agreed by the counterparties
Minimum Size	As agreed by the counterparties
Trading Conventions	Buy = Pay Fixed, Receive Float Sell = Receive Fixed, Pay Float
Swap Conventions	Fixed Leg ◦ __Payment: Monthly, Quarterly, Semi-Annual, Annual ◦ __Day Count Conventions: 30/360, ACT/360, ACT/365 ◦ __Holiday Calendar: New York ◦ __Business Day Conventions: Modified Following Floating Leg ◦ __Payment/Resets: Monthly, Quarterly ◦ __Day Count Conventions: ACT/360 ◦ __Holiday Calendar: New York ◦ __Fixing Calendar: U.S. Government Securities ◦ __Business Day Conventions: Modified Following
Swap Tenor	The duration of time from the effective date to the maturity date. A contract can have a tenor from 28 days to up to 50 years.
Effective Date	The date on which parties begin calculating accrued obligations such as fixed and floating interest rate payments (i.e., the start date of the swap).
Maturity Date	The final date on which the obligations no longer accrue and the final payment occurs.
Periodic Settlement: Payment and Resets	Fixed Leg: The payment amount of the Fixed Leg is based on the following: Notional, Payment Frequency, Day Count Convention and Fixed Interest Rate. Floating Leg: The payment amount of the Floating Leg is based on the following: Notional, Payment Frequency, Day Count Convention, Floating Interest Rate Index and Floating Reset Dates. Payments are settled in accordance with the payment frequency of the swap.
First Fixing Date	The first BSBY Fixing Date is two U.S. Government Securities business days prior to the Effective Date of the swap.
Trade Start Types	Spot: A new swap where the Effective Date is T+2 from the trade date. Non-Spot: Any date where the Effective Date is a date other than the spot date.
Settlement Procedure	As determined by the Clearing House or an agreement between the counterparties
Trading Hours	00:01-24:00 Sunday-Friday (Eastern Time)
Clearing House	Chicago Mercantile Exchange, Inc., LCH.Clearnet Ltd. or Bilateral
Block Size	As set forth in Appendix F to Part 43 of the CFTC Regulations
Speculative Limits	As set forth in Part 150 of the CFTC Regulations
Reportable Levels	As set forth in CFTC Regulation 15.03