



SEF Products

**UNITED STATES
COMMODITY FUTURES TRADING COMMISSION**

| Submitter Information | |
|--|---|
| Organization Name Bloomberg SEF LLC | |
| Organization Type SEF | Organization Acronym BSEF |
| Submitted By mrooney | Email Address mrooney63@bloomberg.net |
| Cover Sheet | |
| Submission Number 2604-1315-5609-24 | Submission Date 4/13/2026 3:56:09 PM ET |
| Submission Type 40.2(a) Product Certification | |
| Submission Description CDX Emerging Markets High Yield Index Contract | |
| <input type="checkbox"/> Request Confidential Treatment | |
| Registered Entity Identifier Code BBSF | |
| Intended Listing Date 4/28/2026 | |
| <input type="checkbox"/> Listing Date Unknown | |
| Product Information | |
| Official Product Name CDX Emerging Markets High Yield Index Contract | |
| Product Type Swap | Settlement Method Cash Settlement |
| Product Group Financial Instrument | Product Sub Group Credit Event |
| <input type="checkbox"/> Novel Product Subject to Jurisdictional Determination | |
| Product Publication Website Bloomberg SEF https://professional.bloomberg.com/products/trading/trading-venues/swap-execution-facility/compliance/#participant-advisory | |
| Documents | |
| 2026-P-2 (CDX.EM.HY).pdf | |
| Request For Confidential Treatment - Detailed Written Justification | |
| N/A | |

Bloomberg

April 13, 2026

VIA ELECTRONIC PORTAL

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Re: CFTC Regulation 40.2(a) Certification. Initial Listing of CDX Emerging Markets High Yield Index Contract

BSEF Submission No. 2026-P-2

Dear Mr. Kirkpatrick:

Bloomberg SEF LLC (“**BSEF**”) is certifying to the U.S. Commodity Futures Trading Commission (“**CFTC**” or “**Commission**”) the initial listing of the contract (the “**Contract**”) for trading on the swap execution facility operated by BSEF (“**SEF**”) effective April 28, 2026, for trade date April 28, 2026. Capitalized terms used but not defined herein have the meanings ascribed to them in the Bloomberg SEF LLC Rulebook – Swap Execution Facility (“**BSEF Rulebook**”).

A. Description of the Contract’s Terms and Conditions

Each Contract is a credit default swap on CDX Emerging Markets High Yield (**CDX.EM.HY**) index (the “**Index**”) in which one party (the protection buyer) pays periodic premiums to another party (the protection seller) in exchange for compensation if a specified credit event occurs in relation to a referenced entity or obligation.

The Contract’s terms are aligned with market standards and follow the 2014 ISDA Credit Derivatives Definitions (“**2014 Definitions**”), developed by The International Swaps and Derivatives Association, Inc. (“**ISDA**”)¹ and updated from time to time.

The 2014 Definitions define the following elements for credit default swap contracts:

- Business Days
- Dates and Periods, Business Day Convention
- Payments, Calculations and Corrections, e.g., Initial Exchange Amount, Final Exchange Amount

¹ The 2014 Definitions are published by ISDA on its “MyLibrary” platform, available here: <https://www.isda.org/isda-solutions-infohub/mylibrary/>. For more information on the 2014 Definitions, please see: <https://www.isda.org/2014/06/30/2014-isda-credit-derivatives-definitions/>

- Fixed Amounts
- Floating/Contingent Amounts
- Credit Events
- Calculation Agent provisions
- Settlement Method

Terms and Conditions of the Contract

The terms and conditions of the Contract are set forth in 1206.A., attached as Exhibit A. As described in Exhibit A, some terms of the Contract are fixed (e.g., currency and index), while other terms are flexible and determined by the counterparties (e.g., effective date and maturity date). This combination of standard and flexible terms allows the Contract to have a basic consistent form, while allowing counterparties to tailor some aspects of the Contract to their economic needs. This structure follows industry convention; the terms of the Contract match the terms of credit default swaps that are commonly offered in the market.

A CDX.EM.HY. credit default swap is not a referenced contract under CFTC Regulation 150.1.

Calculation of Cash Settlement Price

The contract is financially settled. The settlement process for the Contract includes the following payments:

Upfront Fee Payment: The upfront fee is a portion of the payments which is present-valued and paid immediately to the seller.

Premium Payment (Fixed Quarterly Cash Payment): Reflected in basis points and paid by the protection buyer to the protection seller.

- Payment Frequency: Quarterly
- Business Calendar: New York
- Business Day Conventions: Following
- Day Count Convention: ACT/360

Contingent Payment: Payments related to credit event settlement will be determined pursuant to 2009 ISDA Credit Derivatives Determination Committees and Auction Settlement Supplement, (i.e., the Big Bang Protocol) (“ISDA Protocols”).

This settlement method is widely used for credit default swaps, and thus widely accepted by market participants.

B. Description of Underlying Commodity

The reference index used to determine the exchange of payments for the Index . The Index is composed of a number of sovereign entities from Asia, EEMEA (Eastern Europe, Middle East, Africa), and Latin America with credit ratings below “BBB-” or “Baa3” that trade in the CDS market.

On a semi-annual basis the indices roll; the composition of the new series is designed for market participants to take a view on the overall credit quality and direction of the underlying basket in one tradable instrument.

The Index is owned, managed, compiled and published by S&P Dow Jones Indices Limited (“**SPDJ UK**”) (the “**Administrator**”). The Administrator is authorized by the UK FCA as Benchmark Administrator in July 2018 and complies with the UK Benchmarks Regulation. SPDJ UK is listed as authorized Benchmark Administrator on the FCA Benchmarks register. The composition of the Index is determined by the Administrator in accordance with the rules and methodologies set forth in the Index Methodology.² If the Administrator determines that an event has had a material impact on the integrity of one or more Index-related transactions, including but not limited to trading interruptions, market instability and/or force majeure events, the Administrator, acting in an independent and reasonable manner, may determine that it is appropriate to depart from the methodologies, timelines and/or procedures set forth in the Rules to obtain a result that preserves the economic intent of such Index. As this Index is based on clear, widely-available, comprehensive and transparent rules, it is not readily susceptible to manipulation.

The Index is not a narrow-based security index used in the definition of security-based swap as applied to credit default swaps within the meaning of CFTC Regulation 1.3 as of April 14, 2026.

C. Compliance with Applicable Core Principles

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

§ 37.200 Core Principle 2—Compliance with rules.

The Contract is not subject to the mandatory trading requirement under CFTC Regulation 37.12 and can be executed as set forth in Chapter 5 of the Rules of the BSEF Rulebook.

Trading in this Contract will be subject to Chapter 5 of the Rules which includes prohibitions against fraudulent, non-competitive, unfair and abusive practices and will be subject to monitoring and surveillance by the Compliance Department. The Compliance Department may use its investigatory and enforcement power where potential rule violations are identified during its regular surveillance reviews.

Chapter 6 of the Rulebook contains provisions that allow BSEF to discipline, suspend or expel Participants that violate the Rules. Trading in the Contract will be subject to Chapter 6, and the Compliance Department has the authority to exercise its enforcement power in the event rule violations related to this Contract are identified.

§ 37.300 Core Principle 3—Swaps not readily susceptible to manipulation.

² Please see the “Markit CDX High Yield & Markit CDX Investment Grade Index Rules” *available at* <https://www.spglobal.com/spdji/en/documents/methodologies/Markit%20CDX%20HY%20and%20IG%20Rules%20Aug2021.pdf>

The Contract is not readily susceptible to manipulation for a number of reasons. First, the underlying asset for the Contract is an excluded commodity as defined in section 1a(19) of the Commodity Exchange Act, making manipulation very difficult to achieve. Second, the management and calculation of the reference price is based on clear and comprehensive rules. Third, as noted above, the method for calculating the cash settlement price – involving upfront fee payments, fixed quarterly cash payments, and (in the case of a credit event) a contingent payment – is widely used and generally accepted by market participants. And last, BSEF has a market surveillance program that is designed to surveil this market, detect uncommon activity, and investigate any such activity for signs of manipulation.

§ 37.400 Core Principle 4—Monitoring of trading and trade processing.

Trading in the Contract will be subject to Chapter 5 of the Rules which includes prohibitions on manipulation, price distortion, and disruptive trading practices. As with any new product listed for trading on the SEF, trading activity in the Contract proposed herein will be subject to monitoring and surveillance by the Compliance Department.

Rule 409 requires Participants to retain information and provide to BSEF sufficient information to allow the SEF to comply with Core Principle 4 with respect to trade monitoring and trade processing.

BSEF will monitor the calculation methodology of the underlying Index to determine if the Contract continues to be suitable for listing on the SEF. The calculation methodology of the Index is publicly available.

The Contract will be subject to risk controls set forth in Rule 535.

§ 37.600 Core Principle 6—Position limits or accountability.

BSEF will comply with Parts 150 and 151 of the Commission's regulations, as applicable.

§ 37.900 Core Principle 9—Timely publication of trading information.

Trading volume and price information will be published daily on BSEF's website at <https://data.bloombergsef.com/>.

BSEF certifies that: (1) the Contract complies with the Commodity Exchange Act, 7 U.S.C. §1 et seq. and regulations thereunder; and (2) this submission has been posted on BSEF's website at <https://www.bloomberg.com/professional/products/trading/trading-venues/swap-execution-facility/compliance/> concurrently with the filing of the submission with the Commission.

Should you have any questions concerning the above, please contact the undersigned at 212-617-7331 or dglatter1@bloomberg.net.

Sincerely,

/s/ Daniel Glatter, Chief Compliance Officer

Exhibit A: SEF Rule 1206.A

Exhibit A**Attachment A***Terms and Conditions***1206.A. CDX Emerging Markets High Yield Index Contract**

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| Contract Overview | Credit Default Swap: An agreement to buy or sell protection on a basket of 25 of the most liquid, investment-grade North American bank and insurance issuers |
| Ticker | CDX EM HY CDSI [Series Number] [Tenor] |
| Index | CDX.EM.NY: Series 45 and following |
| Index Type | Corporate; Untranchd |
| Index Version | Current version |
| Index Term Value | Same as Tenor |
| Index Factor | Current factor |
| Currency | USD |
| Quoting Convention | Price and/or upfront payment. |
| Minimum Increment | CLOB: 0.0025 Basis Points Trading Protocols other than CLOB: As agreed by counterparties |
| Minimum Size | CLOB: 1,000,000 Basis Points Trading Protocols other than CLOB: As agreed by counterparties |
| Trading Conventions | Buy = Buy Protection Sell = Sell Protection |
| Swap Tenor | Any |
| Effective Date | Unadjusted date at which obligations under the swap come into effect. |
| Maturity Date/Expiration Date | Unadjusted date at which obligations under the swap stop being effective. |
| Settlement Method | Financially settled |
| Settlement | <p><i>Upfront Fee Payment:</i> The upfront fee is a portion of the payments which is present-valued and paid immediately to the seller.</p> <p><i>Premium Payment (Fixed Quarterly Cash Payment):</i> Reflected in basis points and paid by the protection buyer to the protection seller.</p> <ul style="list-style-type: none"> • Payment Frequency: Quarterly • Business Calendar: New York • Business Day Conventions: Following • Day Count Convention: ACT/360 |

| | |
|--|--|
| | <i>Contingent Payment:</i> Payments related to credit event settlement will be determined pursuant to 2009 ISDA Credit Derivatives Determination Committees and Auction Settlement Supplement, (i.e., the Big Bang Protocol) ("ISDA Protocols"). |
| Final Contractual Settlement Date | Same as the Expiration Date, unless there is a Credit Event. If there is a Credit Event, the final Contractual Settlement Date is determined by Credit Event Rules. |
| Settlement Currency | USD |
| "Made Available to Trade" Determination | None |
| Mandatory Clearing Determination | None |
| Trading Hours | 00:01 -24:00 Sunday-Friday (Eastern Time) |
| Settlement Procedure | As determined by the Clearing House or Bilateral |
| Clearing House | ICE |
| Block Size | As set forth in Part 43 of the CFTC Regulations |
| Speculative Limits | As set in Part 150 of the CFTC Regulations |
| Reportable Levels | As set in the CFTC Regulation 15.03 |