

June 13, 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: Amendments to the Bloomberg SEF LLC Rulebook
BSEF Submission No. 2024-R-08

Ladies and Gentlemen:

Bloomberg SEF LLC (“**BSEF**”) is certifying to the U.S. Commodity Futures Trading Commission (“**CFTC**” or “**Commission**”) the amendment of Chapter 1, Rules 523, 524, 524.A, 531.A and 809, and delisting of Rule 1327 (collectively, “**Rule Amendments**”). The Rule Amendments are effective on **June 28, 2024**. A concise explanation of the Rule Amendments is in the below table.

Rulebook Chapter	Rule	Amendment Explanation
Chapter 1. Definitions	Definition of “Allocation”	Amended definition of “allocation” to conform to CFTC Regulation 45.1.
Chapter 5. Trading Practices, Reporting, Clearing, and Business Conduct	Rule 523. Trade Confirmations	Amended to conform with the CFTC's revisions to CFTC Rule 37.6.
	Rule 524. Order Entry Requirements Rule 524.A. General	Amended to clarify informational requirements to enter an RFQ or Order with respect to any Swap traded on the swap execution facility operated by BSEF.
	Rule 531.A. Block Trades	Clarified that Participants must state the time of execution of a Block Trade to the nearest second rather than nearest millisecond.
Chapter 8. Miscellaneous	Rule 809. Timely Publication of Trading Information	Amended to clarify information BSEF will publish on its Part 16 report.
Chapter 13. Rates Contracts Terms and Conditions	Rule 1327. CAD CDOR Fixed-to-Floating	Delisted CAD CDOR Fixed-to-Floating contract due to the transition from CAD CDOR to CORRA.

Exhibit A provides amendments to the applicable BSEF Rulebook Chapters in redline format. BSEF reviewed the swap execution facility core principles (“**Core Principles**”) set forth in the Commodity Exchange Act (“**Act**” or “**CEA**”) and identified that the Rule Amendments may have bearing on the following Core Principles:

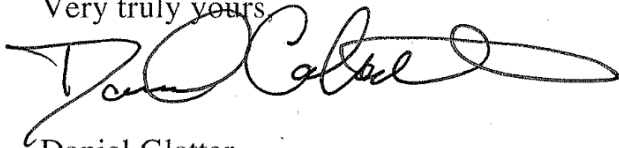
- **Swaps Not Readily Susceptible to Manipulation (Core Principle 3)**: The delisting of Rule 1327 does not change the prior determination that swaps listed in Chapter 13 (specifically Rule 1327) are not readily susceptible to manipulation.
- **Compliance With Rules; Monitoring of Trading and Trade Processing; Ability to obtain information (Core Principles 2, 4 and 5)**: The Rule Amendments to Chapter 5 (Rules 523, 524, 524.A and 531.A) establish rules specifying trading procedures to be used in entering and executing orders, including block trades, and rules that allow BSEF to obtain any necessary information to perform its functions.
- **Timely Publication of Trading Information (Core Principle 9)**: BSEF will publicly and timely make available trade information regarding transactions executed on the swap execution facility.

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.

BSEF certifies that this submission has been concurrently posted on BSEF's 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

BLOOMBERG SEF LLC RULEBOOK

JUNE ~~10~~28, 2024

CHAPTER 1. DEFINITIONS

When used in the BSEF Rules the following terms shall have the respective meanings as follows:

“Account” means a Person (including a Prime Broker) that (i) granted in Writing (standalone or as part of a broader instrument) to an Account Manager investment or trading authority to send RFQs, place Orders and execute Trades on the SEF on behalf and in the name of such Person; and (ii) is a Counterparty to a Trade. The definition of “Account” shall not include any investor, shareholder or any other Person with beneficial ownership in the Account.

“Account Manager” means a Person that acts as an agent and attorney-in-fact to buy or sell Swaps via the SEF operated by BSEF in the name and on behalf of another Person. An Account Manager may also be a Participant.

“Act” or “CEA” means the Commodity Exchange Act, as amended from time to time.

“Affected Person” means a SEF applicant whose admission application is declined or is conditioned or a Person whose status as a Participant is terminated as set forth in Rule 303(e).

“Affiliate” means, with respect to any Person, any Person who, directly or indirectly, Controls, is Controlled by, or is under common Control with, such other Person.

“Alleged Error Trade” has the meaning set forth in Rule 516.A(a).

“Allocation” [has the meaning set forth in CFTC Regulation 45.1.](#)

“Appeals Panel” means a panel appointed by the Chief Compliance Officer pursuant to Rule 620.

“Applicable Law” means, with respect to any Person, any statute, law, regulation, rule or ordinance of any governmental or Self-Regulatory Organization applicable to such Person, including the CEA and CFTC Regulations.

“Appropriate Minimum Block Size” means the minimum notional or principal amount for a category of Swap that qualifies as a Block Trade pursuant to CFTC Regulation 43.6.

“Authorized Representative” means any Person who is authorized by a Participant to represent the Participant in SEF matters pursuant to Rule 307.

“Financial Entity” has the meaning set forth in CEA Section 2(h)(7)(C).

“Futures Commission Merchant” or **“FCM”** has the meaning set forth in Section 1a(28) of the CEA or a foreign person performing a similar role or function with respect to a Person that is not a U.S. Person and subject as such to foreign regulation.

“Good-till-Date/Time” means that the Order has an expiration time and date.

“Governmental Body” means (a) any U.S. or non-U.S. federal, national, state or local court or (b) any U.S. or non-U.S. federal, national, state or local entity that is (i) a governmental authority, (ii) a regulatory body or (iii) a self-regulatory body.

“Immediate-Or-Cancel” means that the Order may be filled partially, but the Order must be actioned immediately, or else canceled. Any remaining portion will be canceled.

“Interested Person” has the meaning attributed to such term in Rule 210(a).

“Introducing Broker” has the meaning set forth in CFTC Regulation 1.3(mm) or a foreign person performing a similar role or function with respect to a Person that is not a U.S. Person and subject as such to foreign regulation.

“ISDA” means the International Swaps and Derivatives Association, Inc.

“ISV” means an independent software vendor.

“Legal Entity Identifier” or **“LEI”** has the meaning set forth in Part 45 of the CFTC Regulations.

“Local Law” has the meaning attributed to such term in Rule 810(a).

“Major Swap Participant” has the meaning set forth in Section 1a(33) of the CEA.

“MAT Recipient Participant” shall have the meaning set forth in Rule 522.A(b).

“NFA” means the National Futures Association.

“No-Bust Range” shall have the meaning set forth in Rule 535(c).

“Non-Cleared Swap” means a Swap that is not a Cleared Swap.

Package Transaction	on the SEF Platform as a “curve”	Platform as a “roll”	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

(C) For the foreign exchange asset class: the Reporting Counterparty is the liquidity provider. For a Package Transaction, Reporting Counterparty will be determined on an individual leg basis and is the liquidity provider. A “liquidity provider” is a Person that: (i) for RFQ, provided the responses to an RFQ that led to the reported Trade; or (ii) for an Order Book, provided the first quote that led to the reported Trade.

(c) With respect to any Non-Cleared Swap, a Confirmation shall for purposes of Commission Regulation 37.6(b) consist of the Trade Communication and the Terms Incorporated by Reference. In the event of any conflict between (x) the Trade Communication and (y) the Terms Incorporated by Reference, the Trade Communication shall prevail to the extent of any inconsistency and the Trade Communication will state the same.

“**Trade Communication**” shall mean a Written communication provided by BSEF to each Participant involved in a Trade containing the economic terms of the Trade agreed by the Participants on the SEF operated by BSEF.

“**Terms Incorporated by Reference**” shall mean the Non-Cleared Swap Agreement(s) governing the Trade memorialized in the Trade Communication.

~~(d) In accordance with CFTC No-Action Letter 17-17, until the effective date of revised CFTC regulations that establish a permanent, practicable SEF confirmation solution, Participants entering into Non-Cleared Swaps on or subject to the rules of the SEF operated by BSEF are not required to provide to BSEF the Non-Cleared Swap Agreement(s) governing such Non-Cleared Swaps prior to entering into a Trade in a Non-Cleared Swap, but must provide copies of the Non-Cleared Swap Agreement(s) to BSEF upon request. Upon request from the Commission, BSEF will request a Participant to provide copies of the applicable Non-Cleared Swap Agreement(s) and will provide such copies to the Commission.~~

RULE 524. Order Entry Requirements

~~Please see Notice~~ Participant must provide to BSEF the information required by Notices to Participants 2017-1, [2022-2](#), [2023-R-15](#), and [2024-R-04](#), which ~~is~~are posted on BSEF’s website.

RULE 524.A. General

Each Authorized Trader entering an RFQ or Order with respect to any Swap traded on the SEF operated by BSEF must include with the Order, as applicable:

- (a) The Trader ID;
- (b) The Participant ID;
- (c) The Legal Entity Identifier of the Participant placing the RFQ or Order;
- (d) The Counterparty's Legal Entity Identifier;
- (e) The Swap description or code;
- (f) The price or yield, quantity, maturity or expiration date of the Swap;
- (g) Side of the Order;
- (h) The CTI code;
- (i) Trading Accounts and other relevant account(s);
- (j) A yes/no indication of whether the Counterparty is a Swap Dealer with respect to the Swap with respect to which the Order is placed;
- (k) A yes/no indication of whether the Counterparty is a Major Swap Participant with respect to the Swap with respect to which the Order is placed;
- (l) A yes/no indication of whether the Counterparty is a Financial Entity;
- (m) A yes/no indication of whether the Counterparty is a U.S. person;
- (n) [A yes/no indication of whether the Counterparty is a Federal Entity;](#)
- (o) ~~(n)~~ A yes/no indication that a Swap is an inter-affiliate [or an intra-entity](#) Swap that should not be subject to real-time reporting requirements;
- (p) ~~(o)~~ A yes/no indication of the Clearing Exception;
- (q) ~~(p)~~ An indication of whether the Swap is a leg of a Covered Package Transaction;
- (r) ~~(q)~~ If applicable, other terms of a Swap that is not a Cleared Swap required by BSEF (e.g., type of Clearing Exception);
- (s) ~~(r)~~ If the Swap is a Cleared Swap:
 - (i) An indication that the Swap will be cleared; and

(ii) The Clearing Account Identifier for a Clearing House where the Swap is intended to be cleared;

(t) ~~(s)~~ If the Swap will be ~~allocated~~subject to Allocation:

(i) An indication that the Swap will be ~~allocated~~subject to Allocation; and

(ii) If the Swap is intended to be cleared and allocated pre-execution, the Legal Entity Identifier for each Account that will receive allocations and the Clearing Account Identifier for a Clearing House where each allocation is intended to be cleared.

(u) If the Counterparty to a Swap is a Prime Broker:

(i) An indication that the Counterparty is a Prime Broker;

(ii) The LEI of each Prime Broker; and

(iii) For each Prime Broker, the information required by subsections (j) through (n) of this Rule; and

(v) If a Trade is not subject to Allocation and the Participant is not a Counterparty to the Trade:

(i) The LEI of the Counterparty; and

(ii) The information required by subsections (j) through (n) of this Rule with respect to such Counterparty.

RULE 524.B. Customer Type Indicator (CTI) Codes

Each Participant must identify each transaction submitted to the SEF operated by BSEF with the correct customer type indicator code (a “CTI” code). The CTI codes are as follows:

CTI 1- Transactions executed by a Participant for its own account, for an account it controls, or for an account in which it has an ownership or financial interest. Applies to Trades placed by Account Managers and proprietary traders other than FCMs and Introducing Brokers.

CTI 2- Transactions executed for the Proprietary Account of a Participant. Applies to FCMs and Introducing Brokers trading for their Proprietary Accounts.

CTI 3- Orders that a Participant executes on behalf of another Participant, or for an account such other Participant controls or in which such other Participant has an ownership or financial interest. Applies to Trades placed by a DMA Customer using the Participant ID of the Sponsoring Broker.

CTI 4- Any transaction not meeting the definition of CTIs 1, 2 or 3. Applies to Trades placed by FCMs and Introducing Brokers for their Customers and anything else.

RULE 529. Orders Entered Prior to SEF Opening

Participants are prohibited from sending any Request for Quote or Order or using an Order Book or any other facility of BSEF prior to the opening of the trading session.

RULE 530. Identification of Authorized Traders

Each Authorized Trader shall be identified to BSEF and shall be subject to the BSEF Rules. It is the duty of the Participant to ensure that Authorized Trader (and Trader ID) registration is current and accurate at all times. Each individual must use a Trader ID to access the SEF operated by BSEF. In no event may a Person enter an RFQ or Order or permit the entry of an RFQ or Order by an individual using a user Trader ID other than the individual's own Trader ID.

RULE 531. Pre-Arranged Transactions

RULE 531.A. Block Trades

(a) Each buy or sell Order underlying a Block Trade must (1) if the Order is entered by a broker, state explicitly that it is to be, or may be, executed by means of a Block Trade and (2) comply with any other applicable CFTC Regulations governing Block Trades.

(b) Each Person transacting a Block Trade shall be a Participant and shall comply with all applicable BSEF Rules other than those which by their terms only apply to trading through the SEF Platform.

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

(d) A Block Trade executed outside the SEF Platform by a Participant must be reported to the SEF operated by BSEF. A Block Trade must be reported to the SEF operated by BSEF by one Counterparty (or a Participant acting on behalf of such Counterparty) and confirmed by the other Counterparty (or a Participant acting on behalf of such Counterparty) as soon as practicable after its execution, but may not be submitted any later than 10 minutes after the execution of the Block Trade. Each Block Trade must state the time of execution to the nearest ~~millisecond~~second. BSEF shall have the right not to accept any transaction that does not satisfy the conditions set forth in this Rule.

(e) BSEF will review the information submitted by the Participant(s) for the Block Trade and will report the Block Trade as required by Part 43 and Part 45 of the CFTC Regulations if the details are complete and accurate in accordance with this Rule. A Participant that executes a Bunched Order as a Block Trade must comply with Rule 524.C. A Participant that executes a Bunched Order as a Block Trade must provide BSEF with the allocation information as soon as practicable.

(f) Block Trades shall not trigger unexecuted Orders.

(g) Each Participant or Account Manager that is a party to a Block Trade or executes a Block Trade on behalf of its Accounts or Customers must comply with the recordkeeping

(b) If an amendment or repeal of a BSEF Rule or adoption of a new Rule materially changes the terms or conditions of an open Swap or affects the value of open Swaps, then the amendment, repeal or new BSEF Rule shall not affect any open Swaps and shall be binding only on new Swaps listed for trading after the effective date of such amendment, repeal or adoption, and Swaps listed as of the effective date of such amendment, repeal or adoption with no open positions then in existence, unless otherwise specifically provided by the Board.

RULE 808. Swap Contract Specifications

(a) BSEF shall permit trading only in Swaps that are not readily susceptible to manipulation. To demonstrate to the CFTC compliance with the requirements of this Rule 808(a), BSEF shall, at the time it submits a new Swap in advance to the CFTC pursuant to Part 40 of the CFTC Regulations, provide the applicable information as set forth in Appendix C to Part 38 of the CFTC Regulations – Demonstration of Compliance That a Contract is not Readily Susceptible to Manipulation.

(b) Notwithstanding any provision of the BSEF Rules to the contrary, the Swap Specification with respect to a particular Swap shall govern the applicability of the BSEF Rules to trading in such Swap and, in the event of any conflict between the BSEF Rules and the Swap Specification, the Swap Specification shall govern with respect to trading in the relevant Swap.

(c) The Swap Specification for each individual Swap may specify:

(i) Different classes of Participants eligible to trade such Swaps. Each such class of Participants shall have the rights and obligations specified by the Swap Specification for each such Swap;

(ii) Whether such Swap may be settled via cash settlement, physical delivery of the underlying commodity, or by any other means, as applicable; and

(iii) The method for determining settlement prices.

(d) Each Swap contract will be published by BSEF on its website.

(e) Swap Specifications are incorporated into the Rulebook by reference and each Swap Specification shall constitute a BSEF Rule.

RULE 809. Timely Publication of Trading Information

(a) BSEF will publish trading information as required by Core Principle 9 of Part 37, and by Part 16, of the CFTC Regulations.

(b) Except where indicated, BSEF does not calculate Daily Settlement Price.

(c) BSEF uses the following indicators for pricing:

(i) “P” indicates that the price is represented as a premium.

(ii) “V” indicates that the price is represented as a percentage.

(iii) “O” indicates that the price is represented as neither a premium nor a percentage.

(d) If more than one Swap transaction was executed at the same time, and this time is the time of (i) an Opening Price, BSEF will report the lowest price as an Opening Price; or (ii) a Closing Price, BSEF will report the highest price as a Closing Price.

RULE 810. Governing Law, Jurisdiction and Dispute Resolution

(a) Unless preempted by the Act, the law of the State of New York governs the BSEF Rules and any Participant Documentation regardless of the laws that would otherwise apply under choice-of-law principles. If a Participant provides an opinion of a counsel (i) stating that the Participant cannot be subject to the law of the State of New York and must be subject to the law of the jurisdiction of the location where the Participant is organized (the “Local Law”) and (ii) enumerating specific provisions of these Rules or the Participant Documentation that must be subject to the Local Law, BSEF will specify the application of the Local Law to the enumerated specific provisions of these Rules and the Participant Documentation; provided, however, that in no event shall Local Law supersede any provision of the Act.

(b) Any dispute between BSEF and a Participant or any market participant that directly or indirectly effects a transaction on the SEF operated by BSEF arising from or in connection with the BSEF Rules or use of the SEF operated by BSEF must be brought to arbitration pursuant to subsection (c) of this Rule 810 within one (1) year from the occurrence of the event giving rise to the dispute. This Rule 810 shall in no way create a cause of action nor authorize an action that would otherwise be prohibited by the BSEF Rules.

(c) Any dispute between BSEF and a Participant or any market participant that directly or indirectly effects a transaction on the SEF operated by BSEF arising from or in connection with the BSEF Rules will be settled by arbitration administered in New York County, New York by the American Arbitration Association (the “AAA”) under its Commercial Arbitration Rules. The dispute will be submitted to one arbitrator who will be appointed by the AAA. Any arbitrator appointed for purposes of this Rule 810 will have experience with and knowledge of commodities, derivatives and Swaps as listed on the National Roster of Arbitrators kept in the AAA’s records. Judgment on the award rendered by the arbitrator will be binding on the parties and may be entered in any state or federal court sitting in New York County, New York, and BSEF and each Participant shall be deemed to have consented to the personal jurisdiction of any such court. Each party to the dispute will bear its own costs and expenses in connection with any arbitration hereunder, as well as an equal share of the administrative fees and the fees of the arbitrator; provided, however, that the arbitrator will be entitled to include in any award a full reimbursement for the prevailing party’s costs and expenses, such party’s share of the administrative fees and the fees of the arbitrator, or any combination of any or all of the above. In the event that this Rule 810 is held to be unenforceable in connection with any dispute or a claim is deemed by a court of competent jurisdiction to be not arbitrable, (i) exclusive jurisdiction for any such dispute will reside in any state or federal court sitting in New York County, New York, (ii) BSEF and the Participant involved in the dispute will be presumed to have submitted to the personal jurisdiction

RULE 1327.**CAD-CDOR Fixed-to-Floating [Reserved]**

Contract Overview	Interest Rate Swap: 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	CAD-SWAP-3M [Reference Rate Term Value] [Swap Tenor or Maturity Date]
Reference Rate Index	CAD-CDOR CAD-BA-CDOR
Reference Rate Term Value	3 Months
Fixed Rate	Par; Custom Coupon
Notional Currency	CAD
Notional Schedule	Constant
Quoting Convention	Fixed rate
Minimum Increment	• <u>CLOB: 100,000</u> • <u>Trading Protocols other than CLOB: 0.01</u>
Minimum Size	• <u>CLOB: 100,000</u> • <u>Trading Protocols other than CLOB: 0.01</u>
Trading Conventions	• <u>Pay Fixed, Receive Float</u> • <u>Receive Fixed, Pay Float</u>
Trade Start Types	• <u>Spot: A new swap where the Effective Date is T+0 from the trade date.</u> • <u>Non-Spot: Any date where the effective date is a date other than the spot date.</u>
Fixing Offset	0 to 10 days
Payment Conventions	Fixed Leg • <u>Payment Frequency: Semi-Annual</u> • <u>Day Count Conventions: ACT/365F</u> • <u>Business Calendar: Toronto</u> • <u>Business Day Conventions: Modified Following</u> Floating Leg • <u>Payment/Resets: Quarterly, Semi-Annual</u> • <u>Day Count Conventions: ACT/365F</u> • <u>Business Calendar: Toronto</u> • <u>Business Day Conventions: Modified Following</u>
Swap Tenor	The duration of time from the effective date to the maturity date. A contract can have a Tenor from 28 days to as long as 41 years.
Effective Date	Unadjusted date at which obligations under the swap come into effect.
Maturity/Expiration Date	Unadjusted date at which the obligations under the swap stop being effective.
Final Contractual Settlement Date	Expiration Date
Payment Lag	• <u>Fixed Leg: 0 days</u> • <u>Floating Leg: 0 days</u>
Settlement Method	Financially Settled
Settlement Procedure	As determined by Clearing House or Bilateral
Settlement Currency	CAD
"Made Available to Trade" Determination	None
Mandatory Clearing Determination	None
Trading Hours	00:01 - 24:00 Sunday-Friday Eastern Time
Clearing House	Chicago Mercantile Exchange, Inc.
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