

Bloomberg SEF LLC

Notice to Participants 2024-R-09

Platform MIC	BBSF
Subject	Interpretive Guidance: Block Trading Pursuant to the BSEF Rules
Rule References	BSEF Rules 506.B, 522.E, 524.A, 531.A
Date of Notice to Participants	June 13, 2024
Notice to Participants Number	2024-R-09
Effective Date	June 28, 2024

Participants are reminded of the application of the following BSEF Rules for Block Trades. Effective on June 28, 2024 and pending all relevant CFTC review periods, this Notice to Participants supersedes **Notice to Participants 2014-3**. From June 28, 2024, **Notice to Participants 2014-3** is withdrawn.

Aggregation and Execution of Block Trades - BSEF Rules 506.B, 522.E, and 531.A

BSEF Rule 506.B (Pre-Arranged Transactions) allows Participants to pre-arrange Swaps with a notional or principal amount at or above the Appropriate Minimum Block Size applicable to such Swap, and BSEF Rule 522.E (Block Trades in Swaps) and Rule 531.A (Block Trades) allow Participants to execute such Swaps either outside the SEF Platform or using Request for Quote Functionality.

Please note that Orders from different accounts may be aggregated to meet the Appropriate Minimum Block Size *only by a Participant that is a Qualified Account Manager*.

To qualify as a Block Trade, an entire Order must be executed at the same time. In addition, aggregation of executions into one Trade to satisfy the Appropriate Minimum Block Size by executing portions of an Order or Orders that are below the Appropriate Minimum Block Size at different times is not permitted.

Similarly, the disaggregation of Orders that are at or above the Appropriate Minimum Block Size into multiple smaller executions that are below the Appropriate Minimum Block Size are not permitted to be executed outside the SEF Platform.

A Package Transaction can be executed pursuant to BSEF Rule 531.A (Block Trades) only if all Swap components that are Required Transactions are above the Appropriate Minimum Block Size.

Record Retention Requirements - BSEF Rule 524.A

Participants must retain the information required by BSEF Rule 524.A and the date and time when the Block Trade was executed, as required by BSEF Rule 531.A (Block Trades).

Reporting of Block Trades – BSEF Rule 531.A

The execution of several Block Trades and reporting as one Block Trade with a “blended,” “average,” or “weighted” execution price, is not permitted.

Please note the execution time of a Block Trade is the time that the trade is consummated, which is the time that the parties agree to the trade in principle. A Block Trade that is a Package Transaction is

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deemed to be consummated at the time when the parties agree to the package price, and not at the time the leg prices are determined.

Capitalized terms used, but not defined herein, have the meanings assigned to them in the Bloomberg SEF Rulebook, which is available at <https://www.bloomberg.com/professional/product/sefcompliance/>.