

December 9, 2025

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) Certification: Amendments to the Bloomberg SEF LLC Rulebook BSEF  
Submission No. 2025-R-10

Ladies and Gentlemen:

Bloomberg SEF LLC (“**BSEF**”) is certifying to the U.S. Commodity Futures Trading Commission (“**CFTC**” or “**Commission**”) the amendment of its swap execution facility (“**SEF**”) Rulebook as detailed in **Exhibit A** (collectively, “**Rule Amendments**”). The Rule Amendments are effective on **December 24, 2025**.

We have provided in **Exhibit A** the explanation of the Rule Amendments and their compliance with the SEF core principles (“**Core Principles**”) as set forth in the Commodity Exchange Act (“**Act**”) and the regulations promulgated thereunder.

**Exhibit B** provides the amendments in the applicable Rulebook chapters in redline format.

Pursuant to Section 5c(c) of the Act and CFTC Regulations 40.6(a), BSEF hereby certifies that the Rulebook Amendments comply with the Act, including CFTC regulations under the Act. There were no substantive opposing views to the Rulebook Amendment.

BSEF certifies that this Rulebook Amendment 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

## EXHIBIT A

Rulebook Chapter	Amendment Explanation	Explanation and analysis of the operation, purpose, and effect of the proposed rule or rule amendment and its compliance with applicable provisions of the Act, including core principles, and the Commission's regulations thereunder
<b>Chapter 1. Definitions</b>	<p><b>“Covered Package Transaction”:</b> revised to remove the reference to November 15 deadline and include the reference CFTC Staff No-Action Letter 25-33 (effective September 22, 2025).</p> <p><b>“Disclosed Order Book”:</b> Deleted the definition of “Disclosed Order Book.” In reliance on the CFTC Staff No-Action letter 25-24, BSEF will no longer offer a Disclosed Order Book for Permitted Transactions.</p> <p><b>Final Disciplinary Action”:</b> Revised the definition of “Final Disciplinary Action” to include access denial action and remove the reference to CFTC or a court stay. This will make any action that cannot be appealed within BSEF a Final Disciplinary Action.</p>	<p><b>Core Principle 2 (Compliance with rules):</b> BSEF believes that the Rule Amendments establish rules governing the operation of the facility, and provide additional clarity for Participants operating on the venue.</p>
<b>Chapter 5. Trading Practices, Reporting, Clearing and Business Conduct</b>	<p><b>Rule 522.B (Permitted Transactions):</b> Removed the references to Disclosed Order Book for Permitted Transactions in foreign exchange Swaps and Disclosed CLOB for Permitted Transactions in rate and credit Swaps that are Non-Cleared Swaps because BSEF will no longer offer these methods of execution for Permitted Transactions in reliance on CFTC Staff Letter 25-24.</p>	<p><b>Core Principle 2 (Compliance with rules):</b> BSEF believes that the Rule Amendments establish rules governing the operation of the facility, and provide additional clarity for Participants operating on the venue.</p> <p><b>Core Principle 3 (Swaps not readily susceptible to manipulation):</b> BSEF believes that Rule Amendments do not change the prior determination that swaps traded through other protocols are not readily susceptible to manipulation.</p>

	<p><b>Rule 522.C (Package Transactions):</b>          Removed the reference <b>CFTC No-Action Letter 22-15</b> and clarified that the execution methods for components of covered packages are the same as execution methods for Permitted Transactions.</p>	<p><b>Core Principle 4 (Monitoring of Trading and Trade Processing):</b>          BSEF has determined that its trade surveillance/monitoring and processing functions will remain accurate by reviewing permitted venue activity.</p>
	<p><b>Rule 524 (Order Entry Requirements):</b>          Added a provision requiring all information submitted pursuant to Rules 524.A and 524.B be accurate and complete as of the time of submission.</p>	<p><b>Core Principle 2 (Compliance with rules):</b> BSEF believes that the Rule Amendments establish rules governing the operation of the facility, and provide additional clarity for Participants operating on the venue.</p> <p><b>Core Principle 3 (Swaps not readily susceptible to manipulation):</b> BSEF believes that Rule Amendments do not change the prior determination that swaps traded through other protocols are not readily susceptible to manipulation.</p>
	<p><b>Rule 524.A(Order Entry Requirements-General):</b> Added a requirement to provide indicators that a Trade is an Offsetting Trade or a Correcting Trade as a part of the order entry trail.</p>	<p><b>Core Principle 4 (Monitoring of Trading and Trade Processing):</b>          BSEF has determined that its trade surveillance/monitoring and processing functions will remain accurate by reviewing permitted venue activity.</p> <p><b>Core Principle 5 (Ability to obtain information):</b> BSEF believes that the Rule Amendments allow the facility to obtain any necessary information to support the functions captured in 5h of the Act.</p>
<b>Chapter 6. Disciplinary Rules</b>	<p><b>Rule 605 (Review of Investigation Reports):</b>          Revised subsection (b) by removing the former subsection (i) because it is duplicative to the former subsection (ii).</p> <p><b>Rule 612 (Settlements):</b> Revised to clarify that the respondent will waive its right to notice, opportunity for a hearing and review and the right to appeal under the Rules once offer of settlement is accepted in Writing by the CCO or the Disciplinary Panel.</p>	<p><b>Core Principle 2 (Compliance with rules):</b> BSEF believes that the Rule Amendments establish rules governing the operation of the facility, and provide additional clarity for Participants operating on the venue</p>

<p><b>Rule 617 (Decision of Disciplinary Panel):</b> Clarified when a <b>Final Disciplinary Action</b> is deemed effective.</p>	
<p><b>Rule 618 (Sanctions):</b> Moved a part of subsection (b) to a new subsection (C) to address payments of fines in a separate subsection.</p>	
<p><b>Rule 620 (Right to Appeal Disciplinary Panel Decision, Summary Impositions of Fines and Other Summary Actions):</b> Clarified that the Appeals Panel's decision becomes active when served on the respondent.</p>	
<p><b>Rule 621 (Summary Imposition of Fines):</b> Removed the redundant language. The payments of fines are addressed in Rule 618.</p>	
<p><b>Rule 623 (Notification of Customer Final Disciplinary Action Involving Financial Harm to a Customer):</b> Clarified that a notice of a BSEF disciplinary action will be published on BSEF website and NFA BASIC only after there is no stay of BSEF Final Disciplinary Action by the CFTC or a court of competent jurisdiction.</p>	
<p><b>Rule 624 (Notice to the Respondent, the Regulatory Services Provider and the Public):</b> Removed the language that is included in the revised definition of Final Disciplinary Action.</p>	

<b>Chapter 13. Rates Contracts</b> Terms and Conditions	<b>Rule 1328 (MXN TIE Banxico Fixed-to-Floating):</b> Product delisting effective December 24 <sup>th</sup> .	<p><b>Core Principle 3 (Swaps not readily susceptible to manipulation):</b> BSEF believes that Rule Amendments do not change the prior determination that swaps listed in Chapter 13 are not readily susceptible to manipulation.</p> <p><b>Core Principle 4 (Monitoring of Trading &amp; Trade Processing):</b> BSEF has determined that its trade surveillance and monitoring functions are more appropriately focused on CFTC jurisdictional products in accordance with CFTC Regulation 37.403.</p> <p><b>Core Principle 9 (Timely Publication of Trading Information):</b> BSEF has determined that its resources dedicated to reporting swap data are more appropriately focused on CFTC jurisdictional products in accordance with CFTC Regulation 37.901.</p>
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## **EXHIBIT B**

# **BLOOMBERG SEF LLC**

## **RULEBOOK**

**SWAP EXECUTION FACILITY**

**SEPTEMBER 16DECEMBER 24, 2025**

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Annex A      ISDA Dodd Frank Act-Swap Transaction Reporting Party Requirements

**“Compliance Department”** means all SEF Officials and/or agents of BSEF (including Regulatory Services Provider personnel) that assist BSEF with the implementation, surveillance and enforcement of the Rules and other Obligations.

**“Confirmation”** has the meaning set forth in Rule 523(a).

**“Control”** means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of securities, by contract, or otherwise. The terms “controlling” or “controlled” shall have meanings correlative to the foregoing.

**“Correcting Trade”** means a Trade submitted for clearing to a Clearing House, with the same terms and conditions as an Error Trade other than any corrections to any operational or clerical error and the time of execution.

**“Counterparty”** means a Participant or a Participant’s Account or Customer whose Legal Entity Identifier is reported by BSEF to an SDR as a counterparty to a Trade.

**“Covered Interest”** means:

- (a) a Commodity Interest traded on the SEF operated by BSEF;
- (b) a Related Commodity Interest;
- (c) a Commodity Interest traded on a contract market or SEF or cleared by a Derivatives Clearing Organization other than the SEF operated by BSEF if the SEF Employee has access to Material Non-Public Information concerning such Commodity Interest; or
- (d) any Commodity Interest traded on or cleared by a Linked Exchange if the SEF Employee has access to Material Non-Public Information concerning such Commodity Interest.

**“Covered Package Transaction”** means a Package Transaction that has at least one or more of the following components:

- (a) The issuance of a bond in the primary market;
- (b) A commodity for future delivery (~~until November 15 during the effective period of the CFTC Staff No-Action Letter 25-33 effective as of September 22, 2025~~);
- (c) A swap (as defined in Section 1a(47) of the CEA) that is not subject to the clearing requirement;
- (d) A non-swap (as defined in Section 1a(47) of the CEA) instrument other than an instrument listed in paragraphs (a) or (b) above or U.S. Treasury securities or agency mortgage-based securities; or
- (e) A swap over which the CFTC does not have exclusive jurisdiction such as a mixed swap (as defined in Section 1a(47)(D) of the CEA).

“**CTI**” has the meaning set forth in Rule 524.B.

“**Customer**” has the meaning set forth in CFTC Regulation 1.3.

“**Customer Account**” means an account carried by a Participant on behalf of a Customer.

“**Daily Market Report**” means a report published daily by BSEF as required by Part 16 of the CFTC Regulations and CFTC Regulations 37.900 and 37.901.

“**DCM**” means a contract market or designated contract market, as defined in CFTC Regulation 1.3.

“**Derivatives Clearing Organization**” has the meaning set forth in Section 1a(15) of the CEA.

“**Direct Market Access**” or “**DMA**” means an arrangement among a Sponsoring Broker, its Customer and BSEF that allows one or more representatives of that Customer to have Trading Access using the Participant ID of the Sponsoring Broker.

“**Director**” means a member of the Board.

“**Disciplinary Committee**” means any Person or committee of Persons, or any subcommittee thereof, that complies with the requirements applicable to a disciplinary committee, hearing panel and major disciplinary committee under CFTC Regulation 1.64(a), that is authorized by BSEF to issue disciplinary charges, conduct disciplinary proceedings, settle disciplinary charges, impose disciplinary sanctions, or to hear appeals thereof in cases involving any violation of the Rules, except those cases where the Person or committee is authorized summarily to impose minor penalties for violating rules regarding decorum, attire, the timely submission of accurate records for clearing or verifying each Trading Day’s transactions executed pursuant to the Rules, or other similar activities.

“**Disciplinary Panel**” means a Disciplinary Committee appointed by the CCO pursuant to Rule 613(b) to conduct hearings in connection with disciplinary proceedings (other than summary impositions of fines pursuant to Rule 601(b)), to make findings, render decisions, and impose sanctions pursuant to Chapter 6 of the Rules.

“**Disclaiming Party**” has the meaning set forth in Rule 901(a).

**“Disclosed Order Book” means an Order Book that permits a Participant to transact on a bid or offer posted by another Participant by sending an Order to the Participant that posted such bid or offer. All bids and offers in the Disclosed Order Book are indicative. For Non-Cleared Swaps a Participant can transact on a bid or offer only if it has entered into a Non-Cleared Swap Agreement with a Participant posting a bid or offer.**

“**Dispute**” has the meaning set forth in Rule 701.

“**DMA Customer**” means a Customer of a Sponsoring Broker where representatives of the Customer that are natural persons are designated by the Sponsoring Broker to have Trading

Access to the SEF Platform using the Participant ID of the Sponsoring Broker and where such Customer signs the DMA Customer Documentation.

**“DMA Customer Documentation”** means the agreements (together with any applicable schedules, exhibits or appendices thereto required by BSEF) in form and substance acceptable to BSEF, that are required to be executed and delivered to BSEF before a DMA Customer may access the SEF Platform. Except as otherwise provided in these Rules, in the event of any conflict between the Rules and the DMA Customer Documentation, the Rules shall govern.

**“Draft Notice of Charges”** has the meaning set forth in Rule 605(c).

**“ECP”** means an eligible contract participant, as defined in Section 1a(18) of the CEA.

**“Eligibility Criteria”** means the criteria set forth in Rule 301(a).

**“Emergency”** means any occurrence or circumstance that, in the opinion of the Board, any committee of the Board or the President, Vice President or the Chief Technology Officer under circumstances and pursuant to procedures that are specified by the Rules, requires immediate action and threatens or may threaten such things as the fair and orderly trading in, or the liquidation of or delivery pursuant to, any Swaps including: (a) any manipulative or attempted manipulative activity; (b) any actual, attempted or threatened corner, squeeze, congestion or undue concentration of positions; (c) any circumstances which may materially affect the performance of Swaps or transactions, including failure of the payment system or the bankruptcy or insolvency of any Participant; (d) any action taken by any governmental body, or any other SEF, market or facility which may have a direct impact on trading or clearing and settlement; or (e) any other circumstance which may have a severe, adverse effect upon the functioning of the SEF operated by BSEF.

**“Emergency Rules”** has the meaning set forth in Rule 212(a).

**“Error Trade”** means a Trade submitted for clearing to a Clearing House that contains an operational or clerical error, including incorrect leg sequencing.

**“Eurex”** means Eurex Clearing Aktiengesellschaft or Eurex Clearing AG.

**“Exchange Act”** means the Securities Exchange Act of 1934, as amended from time to time.

**“Fill-Or-Kill”** means that an Order must be immediately fully filled or cancelled.

**“Final Disciplinary Action”** means any decision by or settlement with BSEF in a disciplinary matter or access denial action, which cannot be further appealed with BSEF, ~~is not subject to the stay of the CFTC or a court of competent jurisdiction and has not been reversed by the CFTC or any court of competent jurisdiction~~.

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

**“Financial Interest in a Significant Action”** means having a direct and substantial financial interest in the result of deliberations or a vote based upon either SEF or non-SEF positions. A direct and substantial financial interest includes positions held in Swaps in the accounts of, Controlled by, or affiliated with an Interested Person or any other types of direct and substantial

**“Operating Agreement”** means the currently effective operating agreement of BSEF.

**“Order”** means (i) a firm response to a Request for Quote, (ii) a response to a Resting Quote, (iii) the display of a quote on an Order Book or (iv) a firm offer to enter into a Swap.

In addition to an Order to execute at a specific price and CLOB Order types, the SEF Platform supports the following types of special Orders:

- (a)     **“Best Price Order”** means an Order that can be sent using RFQT for credit and rate Swaps that contains a condition to prevent the execution by the SEF Platform of such an Order where ~~a~~any Responding Participant has updated its quotation to a better price (as defined by the Requesting Participant) for the Requesting Participant.
- (b)     **“Reserve Price Order”** means an Order that can be sent using RFQT for rate Swaps that will automatically be sent to the Recipient Participant that responds with a price that is at or better than the price designated in advance by the Requesting Participant. Please see Notice to Participants 2016-3, which is posted on BSEF’s website.

**“Order Book”** means a trading protocol on the SEF Platform that allows all Participants to enter multiple bids and offers, observe or receive bids and offers entered by other Participants, and transact on such bids and offers in accordance with the Rules for a specific Order Book.

**“Package Transaction”** means a transaction involving two or more component transactions executed between two or more Counterparties where:

- (a)     At least one component is a Required Transaction;
- (b)     Execution of each component transaction is contingent upon the execution of all other component transactions; and
- (c)     The component transactions are priced or quoted together as one economic transaction with simultaneous or near-simultaneous execution of all components.

**“Participant”** means any Person that has been granted, and continues to have, Trading Privileges under the Rules and has signed the Participant Documentation or DMA Customer Documentation. Subject to Applicable Law, a Participant may trade for its own Proprietary Account or for or on behalf of a Customer or Account. An ISV cannot be a Participant.

**“Participant Documentation”** means the agreements and any other documents (together with any applicable schedules, exhibits or appendices thereto required by BSEF) in form and substance acceptable to BSEF, that are required to be executed and delivered to BSEF before a Person may access the SEF operated by BSEF as a Participant. Participant Documentation shall not include DMA Customer Documentation.

**“Participant ID”** means each unique identification code assigned to a Participant by BSEF for access to the SEF operated by BSEF.

**(c) Anonymous CLOB for Cleared Swaps**

Only firm bids and offers can be posted on the CLOB. Firm bids or offers may be posted on the CLOB for Cleared Swaps only by a Participant that is a member of the applicable Clearing House, by a Participant that has a clearing account with a Clearing Member as set forth in Rule 533(b), or by a Participant in the name of an Account or Customer that has a clearing account with a Clearing Member as set forth in Rule 533(b). Bids and offers posted on the CLOB for Cleared Swaps are anonymous and will be matched on a price/time priority basis.

**RULE 522.B. Permitted Transactions**

The following execution methods are available for Permitted Transactions:

~~(a) Disclosed Order Book for Permitted Transactions in foreign exchange Swaps;~~

~~(a) (b)~~ Anonymous CLOB for Permitted Transactions in rate and credit Swaps that are Cleared Swaps;

~~(c) Disclosed CLOB for Permitted Transactions in rate and credit Swaps that are Non Cleared Swaps;~~

~~(b) (d)~~ RFQS for ~~Swaps listed in the Rules~~any Swap that is not an option on a Swap;  
and

(c) (e) RFQT for all Swaps.

**RULE 522.C. Package Transactions**

(a) Other than as set forth in Rule 522.C(b), a Package Transaction or a component of a Package Transaction that is a Required Transaction must be executed as provided in Rule 522.A.

(b) A Covered Package Transaction or a component of a Covered Package Transaction that is a Required Transaction may be executed using ~~RFQT in accordance with CFTC Rule 37.9(d) or No Action Letter 22-15, which expires November 15, 2025.~~any execution method described in Rule 522.B.

**RULE 522.D. Execution of Swaps Subject to the Clearing Exemption**

No Participant shall enter into a Clearing Exempt Transaction unless it (or its Account or Customer) or its Counterparty can claim a Clearing Exception with respect to such Clearing Exempt Transaction. An Order for a Clearing Exempt Transaction will be rejected if an applicable Clearing Exception Form is not on file with BSEF.

**RULE 522.E. Block Trades in Swaps**

(a) Block Trades in Swaps may be executed on the SEF operated by BSEF via Request for Quote Functionality. BSEF will report each Block Trade to an SDR as set forth in Rule 532(d).

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

#### **RULE 524. Order Entry Requirements**

(a) All information required to be provided by a Participant by Rules 524, 524.A and 524.B must be accurate and complete as of the time of its submission to the SEF operated by BSEF.

(b) Participant must provide to BSEF the information required by Notices to Participants 2017-1, 2022-2, 2023-R-15, and 2024-R-04, which are posted on BSEF’s website.

#### **RULE 524.A. General**

Each Authorized Trader entering an RFQ or Order with respect to any Swap 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 spread, upfront payment, fixed rate, yield, quantity, maturity or expiration date of the Swap;
- (g) Side of the Order;
- (h) The CTI code;
- (i) Trading Profile and any other information required to be collected by BSEF;
- (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) A yes/no indication that a Swap is an inter-affiliate or intra-entity Swap that should not be subject to the real-time reporting requirements;
- (p) A yes/no indication of the Clearing Exception;
- (q) An indication of whether the Swap is a leg of a Covered Package Transaction;
- (r) If applicable, other terms of a Swap that is not a Cleared Swap required by the SEF operated by BSEF (e.g., type of Clearing Exception);
- (s) If the Swap is a Cleared Swap:
  - (i) An indication that the Swap will be cleared;
  - (ii) The full legal name of a Clearing House where the Swap is intended to be cleared; and
  - (iii) The Clearing Account Identifier(s) for a Clearing House where the Swap is intended to be cleared;
- (t) If the Swap will be subject to Allocation:
  - (i) An indication that the Swap will be Allocated; 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 paragraphs (j) through (p), as applicable, of this Rule; and
- (v) ~~(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 paragraphs (j) through (p), as applicable, of this Rule with respect to such Counterparty~~;~~
- (w) If a Trade is intended to offset an existing Error Trade, an indication that the Trade is an Offsetting Trade; and

(x) If a Trade is intended to correct an existing Error Trade, an indication that the Trade is a Correcting Trade.

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

Each Participant must identify each transaction submitted pursuant to the Rules with the correct customer type indicator code (a “CTI” code). 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 other Participants trading in a principal capacity (including Swap Dealers) and proprietary traders other than FCMs and Introducing Brokers trading for Proprietary Accounts.

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 (e.g., also applies to FCMs and Introducing Brokers which execute on behalf of Customer Participants).

CTI 4 – Any transaction not meeting the definitions of CTI 1, 2 or 3. Applies to Trades placed by FCMs, including Sponsoring Brokers, and Introducing Brokers for their Customers, which are not Customer Participants.

### **RULE 524.C. Pre-Arranged Transactions**

All Trades executed in accordance with Rule 531, unless otherwise exempted by a Rule, must be in the form of a Written or electronic record and include in the Order ticket all information required by Rule 524.A.

### **RULE 525. Position Limits**

(a) To reduce the potential threat of market manipulation or congestion, BSEF shall adopt for each of the contracts of the SEF operated by BSEF, as is necessary and appropriate, position limitations for speculators. Where the CFTC has established a position limit for any Swap, BSEF’s position limit for that Swap shall not be higher than such limit established by the CFTC. Such limits will apply only with respect to trading on the SEF operated by BSEF.

(b) Except as otherwise provided by the Rules, no Person, including a Participant, may hold or control a position in excess of such position limits and a Participant may not maintain a position in excess of such position limits for an Account or Customer if such Participant knows, or with reasonable care should know, that such position will cause such Account or Customer to exceed the applicable position limits.

(c) Position limits shall apply to (i) all positions in accounts for which any Person, by power of attorney or otherwise, directly or indirectly holds positions or controls trading, and (ii) positions held by two or more Persons acting pursuant to an expressed or implied agreement or

(B) Gather any necessary new or additional information or evidence from the potential respondents.

(ii) The Compliance Department will revise the investigation report as necessary to reflect the additional information gathered pursuant to this paragraph (a) and will resubmit a revised proposed investigation report to the CCO.

(b) After receiving a completed investigation report, the CCO will determine for each potential respondent whether to:

~~(i) Refer the matter to the Disciplinary Panel for further determination;~~

(i) ~~(ii)~~ Authorize the commencement of disciplinary proceedings because a reasonable basis exists to believe that a violation of the Rules within BSEF's jurisdiction has occurred or is about to occur and adjudication is warranted;

(ii) ~~(iii)~~ Authorize the summary disposition of the investigation because disciplinary proceedings are unwarranted, including issuance of a warning letter; or

(iii) ~~(iv)~~ Authorize the closing of the investigation without any action because no reasonable basis exists to believe that a violation of the Rules within BSEF's jurisdiction has occurred or is about to occur; in each case the CCO shall complete the investigation report in compliance with Rule 603.

(c) If the CCO determines that disciplinary proceedings should be authorized pursuant to Rule 605(b)(i), the CCO may in their discretion provide each potential respondent with a Written draft Notice of Charges ("Draft Notice of Charges") which shall contain all information required pursuant to Rule 607.

(d) The Draft Notice of Charges must be accompanied by a Written notice that shall inform the potential respondent:

- (i) That an investigation report has been completed by the Compliance Department;
- (ii) That a Notice of Charges will be served, in accordance with Rule 608, ten (10) business days after receipt of the Written notice;
- (iii) That a settlement offer may be submitted pursuant to Rule 612; and
- (iv) Of the respondent's right to a hearing if a Notice of Charges is served in accordance with Rule 608.

proceedings. The CCO must review an offer of settlement received pursuant to this paragraph (b) within thirty (30) business days after receipt of the offer of settlement. The CCO shall have discretion and be authorized to accept or reject an offer of settlement for \$100,000 or less for each violation on behalf of BSEF. The CCO is authorized to convene and forward the offer of settlement to the Disciplinary Panel with a recommendation on whether to accept or reject the offer of settlement. The potential respondent may withdraw such offer of settlement at any time before acceptance by the CCO.

(c) A respondent may at any time after receipt of a Notice of Charges, but before disciplinary proceedings have concluded, propose in Writing an offer of settlement to instituted disciplinary proceedings. If a respondent submits an offer of settlement after being served a Notice of Charges pursuant to Rule 608, the CCO will forward the offer of settlement to the Disciplinary Panel with a recommendation on whether to accept or reject the offer of settlement. The Disciplinary Panel must review an offer of settlement received pursuant to this paragraph (c) or paragraph (b) above within ninety (90) business days, after the receipt of the offer of settlement by the CCO unless an extension was agreed by the respondent in Writing. The respondent may withdraw such offer of settlement at any time before final acceptance by the Disciplinary Panel. The Disciplinary Panel may review the offer of settlement and determine whether to accept or reject the offer of settlement in person, telephonically or in Writing.

(d) The Disciplinary Panel may accept an offer of settlement received pursuant to paragraph (b) or (c) of this Rule 612, respectively, but may not alter the terms of a settlement offer unless the potential respondent/respondent agrees.

(e) If an offer of settlement is accepted by the CCO or the Disciplinary Panel, a Written decision shall be issued by the CCO or the Disciplinary Panel, specifying:

- (i) The Rule violations the Compliance Department/it has reason to believe were committed, including the basis or reasons of its conclusions;
- (ii) Any sanction to be imposed, which must include full customer restitution where customer harm has been demonstrated; and
- (iii) If applicable, that the potential respondent/respondent has accepted the sanctions imposed without either admitting or denying the Rule violations.

(f) In the event the Disciplinary Panel accepts an offer of settlement without the agreement of the Compliance Department, the Written decision must adequately support such acceptance.

(g) If an offer of settlement is accepted in Writing by the CCO or the Disciplinary Panel pursuant to this Rule ~~and the related Written decision becomes final, the respondent's submission of the offer of settlement, the respondent~~ will be deemed to ~~constitute a waiver of~~ waive the right to notice, opportunity for a hearing and review and the right to appeal under the Rules.

- (iii) A summary of the evidence produced at the hearing or, where appropriate, incorporation by reference of the investigation report;
- (iv) A statement of findings and conclusions with respect to each charge, and a complete explanation of the evidentiary and other basis for such findings and conclusions with respect to each charge;
- (v) An indication of each specific Rule that the respondent was found to have violated; and
- (vi) A declaration of all sanctions imposed against the respondent, including the basis for such sanctions and the effective date of such sanctions.

(b) Upon rendering a decision by the Disciplinary Panel, BSEF shall, within thirty (30) business days thereafter, provide a Written notice of such action to the respondent.

(c) The Written decision of the Disciplinary Panel will become ~~final~~the Final Disciplinary Action twenty (20) business days after it is served on the respondent and a copy thereof is provided to the Compliance Department, except the Written decision shall not become the Final Disciplinary Action as to any respondent that shall have filed a notice of appeal pursuant to Rule 620. BSEF ~~shall~~may cause any or all of the Written decision to ~~be final~~become the Final Disciplinary Action prior to such date if the CCO reasonably believes that such action ~~pursuant to Rule 806~~ is necessary to protect the best interests of the SEF operated by BSEF.

## **RULE 618. Sanctions**

(a) After notice and opportunity for hearing in accordance with the Rules, BSEF will impose sanctions on the respondent, including any Participant, Account Manager, Authorized Trader, Supervised Person, Account, Customer, Clearing Member or other Person using any Trader ID or login credentials linked to the Participant that is found to have violated or to have attempted to violate a Rule. Subject to the limitations set forth in Rule 618(b), BSEF may impose one or more of the following sanctions or remedies: (i) censure; (ii) limitation on Trading Privileges, Trading Access or other activities, functions or operations; (iii) suspension of Trading Privileges or Trading Access; (iv) fine (subject to paragraph (b) below); (v) disgorgement; (vi) termination of Trading Privileges or Trading Access; (vii) in the event of Customer harm, full Customer restitution, except where the amount of restitution or to whom it should be provided cannot reasonably be determined; or (viii) any other sanction or remedy deemed to be appropriate. All sanctions, including those imposed pursuant to an accepted settlement offer, shall take into account respondent's disciplinary history.

(b) BSEF may impose a fine of up to \$100,000 for each violation of a Rule. The following schedule lists the recommended fines that BSEF may impose:

<u>Type of Violation</u>	<u>Fine Per Occurrence</u>
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	<u>First Violation</u>	<u>Second Violation</u>	<u>Third Violation</u>
<u>Failure to provide information to BSEF as required by the Rules</u>	<u>\$5,000</u>	<u>\$10,000</u>	<u>\$15,000</u>
<u>Impeding or delaying a BSEF examination, inquiry or investigation undertaken pursuant to Rule 402</u>	<u>\$5,000</u>	<u>\$10,000</u>	<u>\$15,000</u>

(c) If a fine or other amount is not paid within thirty (30) business days of the date that it becomes payable, then interest will accrue on the sum from the date that it became payable at the quoted prime rate plus three (3) percent. BSEF has sole discretion to select the bank on whose quotations to base the prime rate. Each Participant will be responsible for paying any fine or other amount imposed on, but not paid by, any of its Authorized Traders, Account Managers, Supervised Persons, Accounts or Customers. ~~The following schedule lists the recommended fines that BSEF may impose:~~

<del>Type of Violation</del>	<del>Fine Per Occurrence</del>		
	<del>First Violation</del>	<del>Second Violation</del>	<del>Third Violation</del>
<del>Failure to provide information to BSEF as required by the Rules</del>	<del>\$5,000</del>	<del>\$10,000</del>	<del>\$15,000</del>
<del>Impeding or delaying a BSEF examination, inquiry or investigation undertaken pursuant to Rule 402</del>	<del>\$5,000</del>	<del>\$10,000</del>	<del>\$15,000</del>

## **RULE 619. Costs**

(a) Regardless of the outcome of any disciplinary proceeding, the Disciplinary Panel may order a respondent to pay some or all of the costs associated with the disciplinary proceedings that the Disciplinary Panel believes were unnecessarily caused by the respondent. Costs may include costs associated with the inquiry or investigation, the prosecution by the Compliance Department, legal and professional assistance, as well as the hearing and administrative costs and other expenses incurred by the Disciplinary Panel.

(b) The Disciplinary Panel may only award costs against BSEF if the Panel concludes that BSEF has behaved in a manifestly unreasonable manner in the commencement or conduct of the disciplinary proceedings in question. The Disciplinary Panel must limit any award of costs against BSEF to an amount that the Panel concludes is reasonable and appropriate, but does not exceed the respondent's costs for external legal or other external professional assistance.

(c) The Disciplinary Panel may determine the amounts and allocation of costs in any manner it may deem appropriate. BSEF or the respondent will pay any costs ordered to be paid by it by the Disciplinary Panel within thirty (30) business days of Written notice of the amount imposed by the Disciplinary Panel.

## **RULE 620. Right to Appeal Disciplinary Panel Decision, Summary Impositions of Fines and Other Summary Actions**

(a) Each respondent found by the Disciplinary Panel to have violated (or, in the case of a Participant, whose Authorized Trader, Supervised Person or other Person using its

Rule 617(a) to the extent that a different conclusion is reached from that issued by the Disciplinary Panel.

(m) The Appeals Panel's Written decision on appeal (including findings of fact and conclusions and the imposition of sanctions, remedies and costs, and the effective date of any sanction, remedy and cost) will ~~be the final action of BSEF~~become the Final Disciplinary Action of BSEF when it is served upon the respondent and will not be subject to appeal within BSEF.

## **RULE 621. Summary Imposition of Fines**

(a) The CCO may summarily impose a fine against a Participant, Account Manager, Authorized Trader, Supervised Person, Account, Customer, Clearing Member or other Person using any Trader ID or login credentials linked to the Participant for failing to:

- (i) Make timely payments of fees, cost, charges or fines to BSEF;
- (ii) Make timely and accurate submissions to BSEF of notices, reports or other information required by the Rules; or
- (iii) Keep any books and records required by the Rules.

(b) The Compliance Department, acting on behalf of the CCO, will give notice of any fine imposed pursuant to this Rule 621 to each Participant subject thereto. The notice will specify (i) the violations of the Rules for which the fine is being imposed, (ii) the date of the violation for which the fine is being imposed and (iii) the amount of the fine. ~~Within twenty (20) business days of serving the notice of fine, the Participant must either pay or cause the payment of the fine.~~ The fine will become final upon the expiration of twenty (20) business days after the notice of fine is served on the Participant, Account Manager, Authorized Trader, Supervised Person, Account, Customer, Clearing Member or other Person using any Trader ID or login credentials linked to the Participant.

(c) BSEF will set the amount of any fines imposed pursuant to this Rule 621, with the maximum aggregate amount of summary fines to be assessed for each Rule violation (which may be aggregated in the reasonable discretion of the Disciplinary Panel, CCO or their designee) described below not to exceed \$30,000 on an annual basis. Summary imposition of fines pursuant to this Rule 621 will not preclude BSEF from bringing any other action against the Participant (or any of its Account Managers, Authorized Traders or Supervised Persons) or Authorized Trader, as the case may be. The following schedule lists the recommended summary fines that BSEF or the CCO (or their designee) may impose for each type of violation described below:

Type of Violation	Fine Per Occurrence		
	First Summary Fine	Second Summary Fine	Third Summary Fine
Failure to maintain complete and accurate books and records as required by Rule 409.A (Participant and Clearing Member Books and	\$5,000	\$10,000	\$15,000

(b) In the event that a Disciplinary Panel is convened for a hearing involving an affiliated trading entity, no Person associated with BSEF or such affiliated trading entity shall be a member of such Disciplinary Panel.

(c) The Board must approve the issuance of disciplinary charges and acceptance of settlement offers involving an affiliated trading entity.

### **RULE 623. Notification of Customer Final Disciplinary Action Involving Financial Harm to a Customer**

Upon any final disciplinary action, as defined in CFTC Regulation 1.67(a “Customer Final Disciplinary Action”), in which BSEF finds that a Participant has committed a Rule violation that involved a transaction for a Customer, whether executed or not, and that resulted in financial harm to the Customer, BSEF shall promptly provide Written notice of the disciplinary action to the Participant, which Notice shall include the principal facts of the disciplinary action and a statement that BSEF has found that the Participant has committed a Rule violation that involved a transaction for the Customer, whether executed or not, and that resulted in financial harm to the Customer. Any Participant that has received such Written notice from BSEF, shall promptly provide Written notice of the Customer Final Disciplinary Action to the Customer, as disclosed on the Participant's books and records.

### **RULE 624. Notice to the Respondent, the Regulatory Services Provider and the Public**

If BSEF issues a Final Disciplinary Action against a Participant ~~or takes final action with respect to a denial of access of a Person to any services offered by the SEF operated by BSEF, then~~ BSEF must, within thirty (30) business days thereafter, provide Written notice of such action to the Person against whom the action was taken and notice to the NFA through the NFA's Background Affiliation Status Information Center ("BASIC") system. No ~~final disciplinary or access denial action~~ Final Disciplinary Action may be made effective by BSEF except as provided in CFTC Regulation 9.12.

## **CHAPTER 7. ARBITRATION**

### **RULE 701. General**

(a) Except as otherwise provided in the Rules, including in the case of a decision rendered by BSEF which cannot be further appealed, Participants, Authorized Traders and any market participant that directly or indirectly effects a transaction pursuant to the Rules shall submit to the NFA for arbitration all disputes, controversies and claims between or among themselves arising out of a Swap or the use of the systems or services of BSEF or the services, equipment, or facilities used to support such systems or services, including the SEF operated by BSEF (each, a "Dispute"). Any such claim against a Participant shall be brought within two (2) years from the time that a cause of action has accrued. This Rule 701 shall in no way be construed to create a cause of action and shall not authorize an action that would otherwise be prohibited by the Rules or Applicable Law. In the event that this Rule 701 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

## RULE 1210.A. iTraxx Japan

<b>Contract Overview</b>	Credit Default Swap. An agreement to buy or sell protection on a basket comprised of 50 equally-weighted investment grade Japanese entities based upon an agreed upon notional amount.
<b>Ticker</b>	ITRX JAPAN CDSI [series number] [tenor]
<b>Index</b>	iTraxx Japan: all series, where a series is based on a broad-based security index within the meaning of CFTC Regulations at the time a credit default swap based on the series was executed on or subject to the Rules of the SEF operated by BSEF.
<b>Index Type</b>	Corporate; Untranched
<b>Index Version</b>	Current version
<b>Index Term Value</b>	Same as Tenor
<b>Index Factor</b>	Current factor
<b>Notional Currency</b>	JPY
<b>Quoting Convention</b>	Spread and/or upfront payment
<b>Minimum Increment</b>	<b>CLOB: 0.0025 Basis Points</b> <b>Trading Protocols other than CLOB:</b> As agreed by counterparties
<b>Minimum Size</b>	<b>CLOB: 1,000,000 Basis Points</b> <b>Trading Protocols other than CLOB:</b> As agreed by counterparties
<b>Trading Conventions</b>	<b>Buy</b> = Buy Protection <b>Sell</b> = Sell Protection
<b>Swap Tenor</b>	Any
<b>Effective Date</b>	Unadjusted date at which obligations under the swap come into effect.
<b>Maturity/Expiration Date</b>	Unadjusted date at which obligations under the swap stop being effective.
<b>Settlement Method</b>	Financially settled
<b>Settlement</b>	<ul style="list-style-type: none"> <li>• <b>Contingent payment:</b> Payments related to credit event settlement will be determined pursuant to the 2009 ISDA Credit Derivatives Determination Committees and Auction Settlement Supplement, (i.e., the Big Bang Protocol).</li> <li>• <b>Fixed quarterly cash payments:</b> Reflected in basis points and paid by the protection buyer to the protection seller.</li> <li>• <b>Upfront fee payment:</b> 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.</li> </ul>
<b>Final Contractual Settlement Date</b>	Same as Expiration Date, unless there is a Credit Event. If there is Credit Event, the final Contractual Settlement Date is determined by Credit Event Rules.
<b>Settlement Currency</b>	JPY
<b>“Made Available to Trade” Determination</b>	None
<b>Mandatory Clearing Determination</b>	None
<b>Trading Hours</b>	00:01 -24:00 Sunday-Friday; Eastern Time
<b>Settlement Procedure</b>	As determined by the Clearing House or Bilateral
<b>Clearing House</b>	ICE, LCH
<b>Block Size</b>	As set forth in 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 1328. ~~MXN THE Banxico Fixed-to Floating~~[Reserved]

<b>Contract Overview</b>	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.
<b>Ticker</b>	MXN SWAP VS 28D [Reference Rate Term Value] [Swap Tenor or Maturity Date]
<b>Reference Rate Index</b>	28 Days Interbank Equilibrium Interest Rate (Tasa de Interes Interbancaaria de Equilibrio)
<b>Reference Rate Index</b>	MXN THE
<b>Reference Rate Index</b>	MXN THE Banxico
<b>Reference Rate Term-Value</b>	28 days
<b>Fixed Rate</b>	Par; Custom Coupon
<b>National Currency</b>	MXN
<b>National Schedule</b>	Constant
<b>Quoting Convention</b>	Fixed rate
<b>Minimum Increment</b>	<ul style="list-style-type: none"> <li>• <b>CLOB:</b> 100,000</li> <li>• <b>Trading Protocols other than CLOB:</b> 0.01</li> </ul>
<b>Minimum Size</b>	<ul style="list-style-type: none"> <li>• <b>CLOB:</b> 100,000</li> <li>• <b>Trading Protocols other than CLOB:</b> 0.01</li> </ul>
<b>Trading Conventions</b>	<ul style="list-style-type: none"> <li>• Pay Fixed, Receive Float.</li> <li>• Receive Fixed, Pay Float.</li> </ul>
<b>Trade Start Types</b>	<ul style="list-style-type: none"> <li>• <b>Spot:</b> A new swap where the Effective Date is T+1 from the trade date.</li> <li>• <b>Non-Spot:</b> Any date where the effective date is a date other than the spot date.</li> </ul>
<b>Fixing Offset</b>	0 to 10 days
<b>Payment Conventions</b>	<p>Fixed Leg</p> <ul style="list-style-type: none"> <li>• Payment Frequency: 28 Days</li> <li>• Day Count Conventions: ACT/360</li> <li>• Business Calendar: Mexico</li> <li>• Business Day Conventions: Modified Following</li> </ul> <p>Floating Leg</p> <ul style="list-style-type: none"> <li>• Payment/Resets: 28 Days</li> <li>• Day Count Conventions: ACT/360</li> <li>• Business Calendar: Mexico</li> <li>• Business Day Conventions: Modified Following</li> </ul>
<b>Swap Tenor</b>	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 21 years.
<b>Effective Date</b>	Unadjusted date at which obligations under the swap come into effect.
<b>Maturity/Expiration-Date</b>	Unadjusted date at which the obligations under the swap stop being effective.
<b>Final Contractual-Settlement Date</b>	Expiration Date
<b>Payment Lag</b>	<ul style="list-style-type: none"> <li>• Fixed Leg: 0 days</li> <li>• Floating Leg: 0 days</li> </ul>
<b>Settlement Method</b>	Financially Settled
<b>Settlement Procedure</b>	As determined by Clearing House or Bilateral
<b>Settlement Currency</b>	MXN
<b>“Made Available to Trade” Determination</b>	None
<b>Mandatory Clearing-Determination</b>	See <a href="https://www.cftc.gov/IndustryOversight/IndustryFilings/index.htm &gt; Products &gt; Swaps Subject to Clearing requirements">https://www.cftc.gov/IndustryOversight/IndustryFilings/index.htm &gt; Products &gt; Swaps Subject to Clearing requirements</a>
<b>Trading Hours</b>	00:01 - 24:00 Sunday Friday Eastern Time
<b>Clearing House</b>	CME
<b>Block Size</b>	As set forth in Appendix F to Part 43 of the CFTC Regulations.
<b>Speculative Limits</b>	As set forth in Part 150 of the CFTC Regulations
<b>Reportable Levels</b>	As set forth in CFTC Regulation 15.03

## RULE 1344. CLP ICP Fixed-to-Floating

<b>Contract Overview</b>	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.
<b>Ticker</b>	CLP SWAP VS [Reference Rate Term Value] [Swap Tenor or Maturity Date]
<b>Reference Rate Index</b>	CLP-ICP CLP-TNA <a href="#">CLP-CAMARA</a>
<b>Reference Rate Index Term Value</b>	1 day
<b>Fixed Rate</b>	Par; Custom Coupon
<b>Notional Currency</b>	CLP
<b>Notional Schedule</b>	Constant
<b>Quoting Convention</b>	Fixed rate
<b>Minimum Increment</b>	<ul style="list-style-type: none"> <li>• <b>CLOB:</b> 100,000</li> <li>• <b>Trading Protocols other than CLOB:</b> 0.01</li> </ul>
<b>Minimum Size</b>	<ul style="list-style-type: none"> <li>• <b>CLOB:</b> 100,000</li> <li>• <b>Trading Protocols other than CLOB:</b> 0.01</li> </ul>
<b>Trading Conventions</b>	<ul style="list-style-type: none"> <li>• Pay Fixed, Receive Float.</li> <li>• Receive Fixed, Pay Float.</li> </ul>
<b>Trade Start Types</b>	<ul style="list-style-type: none"> <li>• <b>Spot:</b> A new swap where the Effective Date is T+2 from the trade date.</li> <li>• <b>Non-Spot:</b> Any date where the Effective Date is a date other than the spot date.</li> </ul>
<b>Fixing Offset</b>	0 days
<b>Payment Conventions</b>	<p>Fixed Leg</p> <ul style="list-style-type: none"> <li>• Payment Frequency: Semi-Annual</li> <li>• Day Count Conventions: ACT/360</li> <li>• Business Calendar: Santiago</li> <li>• Business Day Conventions: Modified Following</li> </ul> <p>Floating Leg</p> <ul style="list-style-type: none"> <li>• Payment/Resets: Semi-Annual/Semi-Annual</li> <li>• Day Count Conventions: ACT/360</li> <li>• Business Calendar: Santiago</li> <li>• Business Day Conventions: Modified Following</li> </ul>
<b>Swap Tenor</b>	The duration of time from the effective date to the maturity date. A contract can have a Tenor from 28 days up to 15.5 years.
<b>Effective Date</b>	Unadjusted date at which obligations under the swap come into effect.
<b>Maturity/Expiration Date</b>	Unadjusted date at which the obligations under the swap stop being effective.
<b>Final Contractual Settlement Date</b>	Expiration Date
<b>Payment Lag</b>	<ul style="list-style-type: none"> <li>• <b>Fixed Leg:</b> 0 days</li> <li>• <b>Floating Leg:</b> 0 days</li> </ul>
<b>Settlement Method</b>	Financially Settled
<b>Settlement Procedure</b>	As determined by Clearing House or Bilateral
<b>Settlement Currency</b>	USD
<b>“Made Available to Trade” Determination</b>	None
<b>Mandatory Clearing Determination</b>	None
<b>Trading Hours</b>	00:01 -24:00 Sunday-Friday (Eastern Time)
<b>Clearing House</b>	CME, LCH
<b>Block Size</b>	As set forth in Appendix F to Part 43 of the CFTC Regulations
<b>Speculative Limits</b>	As set forth in Part 150 of the CFTC Regulations
<b>Reportable Levels</b>	As set forth in CFTC Regulation 15.03