



**Bloomberg SEF LLC  
Notice to Participants 2025-R-11**

**December 16, 2025**

<b>Platform MIC</b>	BBSF
<b>Subject</b>	Trade Cancellation, Correction, Offset and Adjustment
<b>Rule References</b>	BSEF Rules 516, 516.A, 516.C, 524, 524.A and 532
<b>Date of Notice to Participants</b>	December 16, 2025
<b>Notice to Participants Number</b>	2025-R-11
<b>Effective Date</b>	December 30, 2025

**NOTICE TO PARTICIPANTS REGARDING COMPLIANCE WITH RULES 516, 516.A, 516.C, 524, 524.A and 532 WITH RESPECT TO THE OFFSET AND CORRECTION OF CLEARED SWAPS**

This Notice to Participants 2025-R-11 supersedes Notice to Participants 2024-R-04. Notice to Participants 2024-R-04 is therefore withdrawn.

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/products/trading/trading-venues/swap-execution-facility/compliance/>.

**516.A Trade Cancellation, Correction, Offset and Adjustment – Cleared Swaps**

An Error Trade executed on the SEF on a non-anonymous basis can be corrected by Participants as set forth in BSEF Rule 516 and Rule 516.A. Participants may prearrange an Offsetting Trade and/or Correcting Trade in accordance with Rule 531.B (Trade Correction).

**516.A (d)(ii) REQUIRED TRANSACTIONS:**

An Error Trade that is a Required Transaction can be corrected by using RFQT to send an RFQ to the other Participant affected by the Error Trade and indicating that the potential trade is a “Correcting Trade” or an “Offsetting Trade” in the RFQ message (“**Ticket Notification**”).

**516.A (d)(iii) CLEARED PERMITTED TRANSACTIONS:**

An Error Trade that is a Permitted Transaction can be corrected by using RFQT to send an RFQ to the other Participant affected by the Error Trade and either (i) providing a Ticket Notification, or (ii) by calling 1-212-617-1530 to notify BSEF of the execution of an Offsetting Trade and/or Correcting Trade within **24 hours** after the execution of such Offsetting and/or Correcting Trade as provided in Rule 516.A (“**Voice Notification**”).

Using a Ticket Notification or a Voice Notification will constitute notice to BSEF’s Compliance Department of the execution of an Offsetting Trade and/or Correcting Trade. The trades may be subject to an *ex post facto* review by the Compliance Department as set forth in Rule 516.A(a)(iv). Upon request of the Compliance Department, a Participant shall provide details

sufficient to identify the Error Trade, Offsetting Trade, or Correcting Trade (e.g., UTI, FIT/FITDNA key, Swap contract, notional amount, price/spread, Clearing House, and execution time).

A Ticket Notification or Voice Notification must be provided for an Offsetting Trade and/or Correcting Trade regardless of whether the Offsetting Trade and/or Correcting Trade is a Required Transaction or Permitted Transaction. Failure to provide a Ticket Notification or a Voice Notification for any Offsetting Trade or Correcting Trade, including trades that are Permitted Transactions, will constitute a violation of Rule 516 and 516.A, and potentially subject such Participants that failed to provide a Ticket Notification or a Voice Notification to disciplinary action pursuant to the Bloomberg SEF Rulebook.

In the case of a Ticket Notification, BSEF will provide “Correcting Trade” and/or “Offsetting Trade” indicators to a Recipient Participant in the RFQT message sent to Recipient Participants.

Under Rule 516.A., an Offsetting Trade must have the same terms and conditions except direction. A Trade that has a different notional amount from the Error Trade does not qualify as an Offsetting Trade.

#### **RULE 516.C. Erroneous Trade Cancellation, Correction and Adjustment – Non-Cleared Swaps**

Any cancellation, correction or adjustment of a Trade in Non-Cleared Swaps must be reported to the SEF operated by BSEF by a Participant, that is a Reporting Counterparty or an Account Manager or broker for a Reporting Counterparty promptly after such cancellation, correction or adjustment is made. For the purposes of Rule 516.C “promptly” means within ten CFTC Business Days after the discovery of the event that led to cancellation, correction or adjustment. The Reporting Counterparty or an Account Manager or broker for a Reporting Counterparty shall notify BSEF if it intends to correct the SDR record and provide timing for such correction. A Participant can notify the BSEF Support Desk at 1-212-617-1530.

**FREQUENTLY ASKED QUESTIONS RELATED TO THE OFFSET, CORRECTION,  
CANCELLATION AND ADJUSTMENT OF SWAPS EXECUTED ON OR PURSUANT TO THE  
RULES OF SEF OPERATED BY BSEF**

**Q.1. Can I offset and/or correct a trade on the SEF operated by BSEF if the Participant  
executed the error trade on another SEF?**

A.1. No. Execution of an error trade on another registered or equivalent SEF and the subsequent submission of Offsetting and Correcting trades to the SEF operated by BSEF is a violation of BSEF Rules. BSEF Rule 516 provides that trades that have not been executed on or pursuant to the Rules of the SEF operated by BSEF are ineligible to be cancelled, corrected, offset or adjusted on the SEF operated by BSEF.

**Q.2. For transactions submitted electronically, is it a violation of the Rules to submit an  
Offsetting Trade and/or Correcting Trade without specifying in the submission to BSEF  
that such Trade is an Offsetting Trade and/or Correcting Trade?**

A.2. Yes. For both Required and Permitted Transactions, submitted electronically, failure to send an indicator to BSEF that the trade is an Offsetting Trade or a Correcting Trade is a violation of Rule 516.A(d)(ii). Participants must identify whether the Trade is an Offsetting Trade or Correcting Trade. Participants can use this process for both Required Transactions and Permitted Transactions.

Sending an incorrect indicator constitutes a violation of Rule 524 and/or Rule 524.A. For example, tagging the Offsetting Trade as a Correcting Trade is a violation of Rule 524 and/or Rule 524.A.

**Q.3. Can I provide a post-trade notification under Rule 516.A(d)(iii) for a Required  
Transaction?**

A.3 No, only Cleared Swaps that are Permitted Transactions, Block Trades and Required Transactions that are components of Covered Package Transactions are eligible for post-trade notification under Rule 516.A(d)(iii).

**Q.4. Can I make a post-trade notification about an Offsetting Trade and/or Correcting  
Trade that is a Permitted Transaction 24 hours after the execution of an Offsetting Trade  
and/or Correcting Trade?**

A.4. Yes, but reporting an Offsetting Trade or Correcting Trade for Permitted Transactions later than 24 hours after the execution will constitute a violation of Rule 516.A(d)(iii). Additionally, the failure to report an Offsetting Trade and/or Correcting Trade will constitute a violation of Rule 516.A(a) in addition to violation of Rule 516.A(d)(iii).

Please note that if the 24-hour period ends on a day that is not a CFTC Business Day, the Offsetting Trade or Correcting Trade can be reported on the next CFTC Business Day. Thus, if an Offsetting Trade is executed on Friday at 7 pm EST, such trade can still be reported until 6:59 p.m. on the following Monday.

Each Offsetting Trade and Correcting Trade requires a separate notification, and each is subject to its own 24-hour deadline. For example, if an Offsetting Trade was executed on Monday,

September 22, at 4 pm EST, the 24-hour notification deadline would be 3:59 pm EST on Tuesday, September 23. If the corresponding Correcting Trade was executed at 2 pm EST on Tuesday, September 23, the deadline for the Correcting Trade would be 1:59 pm EST on Wednesday, September 24. The Offsetting Trade, reported on September 24 will be reported in violation of Rule 516.A(d)(iii).

Please note that the Offsetting Trade and/or the Correcting Trade must be executed and submitted for clearing **no later than three (3) Trading Days after the Error Trade was executed.**

**Q.5. Can I send an Offsetting Trade and/or Correcting Trade for one allocation that was a component of a multi-allocated bunched Trade because such component allocation was misallocated?**

A.5. No. Submission of an Offsetting Trade for a portion of a bunched Trade that has been misallocated is a violation of Rule 516. Qualification for treatment as an Offsetting Trade requires that it reflect terms and conditions that economically reverse an Error Trade. Therefore, the notional amount of the Offsetting Trade and the notional amount of the Error Trade must be identical and submission of a Trade that represents only a portion of the original Error Trade would not qualify as an Offsetting Trade.

**Q.6. Can I submit an Offsetting Trade at a price that is different than the Error Trade?**

A.6. No. Submission of an Offsetting Trade at a different price than the Error Trade is a violation of the Rules because an Offsetting Trade must reflect terms and conditions that economically reverse an Error Trade. Therefore, the price of the Offsetting Trade and the price of the Error Trade must be identical.

**Q.7. Following execution of a Trade, I discovered that the notional amount executed is greater than what was intended (e.g. \$20 mm instead of \$10 mm). May I submit a Trade buy for \$10 mm as a Correcting Trade to correct the error?**

A.7. No. A Correcting Trade is 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.* Therefore, if you do not want to execute \$10 mm at the market, you should execute an Offsetting Trade for the original \$20 mm Error Trade and then execute a \$10 mm Correcting Trade.

**Q.8. I executed a Package Transaction and there is an error in one leg of the Package Transaction. Can I execute an Offsetting Trade and/or Correcting Trade only for the leg as if such leg was an Error Trade?**

A.8. No. An Offsetting Trade is a Trade submitted for clearing to a Clearing House, *with terms and conditions that economically reverse an Error Trade* that was accepted for clearing. Therefore, to ensure that the terms of the Offsetting and Correcting Trade economically reverse the Error Trade, and that all legs and terms related to the original Package Transaction remain properly linked in BSEF's records, Participants should execute Offsetting Trades for all legs of the Package Transaction and then execute Correcting Trades for all legs of the Package Transaction.

**Q.9. I intended to execute a Package Transaction but discovered an error in the first leg before entering the second leg, can I just adjust the price of the second leg so the total economic value of the package will be as originally intended?**

A.9. No. Modifying the second leg to compensate for an error in the first leg is not permitted. Participants must execute Offsetting and Correcting Trades to address any errors. The first leg must be corrected by executing an Offsetting Trade and Correcting Trade as provided in Rule 516.A. This scenario is distinguishable from the scenario described in Q.8, in that in Q.8 all legs have been executed, and it is discovered later that an error in one leg needs to be corrected. In Q.9, an unexecuted leg is proposed to be used to correct the executed leg.

**Q.10. Is it a violation of the Rules to correct, adjust or cancel a Non-Cleared Swap executed on or pursuant to the Rules of the BSEF without notifying BSEF of such correction, cancellation or adjustment if a Participant corrected the SDR report related to such Non-Cleared Swap?**

A.10. Yes. A failure to notify BSEF is a violation of Rule 516.C even if a Participant corrected the SDR record. Any correction, cancellation or adjustment of a Trade in a Non-Cleared Swap made pursuant to Rule 516.C shall be made promptly after the erroneous Trade was discovered.

**Q.11. Is it a violation of the Rules to correct, amend or cancel any SDR real-time or creation data submitted by BSEF with respect to a Trade without BSEF's consent for such correction, amendment and cancellation?**

A.11. Yes. BSEF Rule 532 states that BSEF will report each Trade to an SDR after the execution of such Trade. Similarly, BSEF Rule 516.F states that BSEF will report the correction or cancellation of a Trade corrected or cancelled pursuant to Rule 516 to the same SDR where the Trade was reported. BSEF will Report any Correcting Trade or Offsetting Trade to the same SDR where the corresponding Error Trade was reported. Therefore, failure to obtain BSEF's consent to correct, amend or cancel an SDR real-time or original creation data submitted by BSEF is a violation of Rules 516 and 532. This requirement does not apply to continuation data.