

BLOOMBERG SEF LLC

NOTICE OF DISCIPLINARY ACTION

PARTICIPANT: BNP Paribas (“**BNP**”)

RULE VIOLATION: RULE 516 Trade Cancellation, Correction, Offset and Adjustment – General

Any Trade executed on the SEF Platform operated by BSEF or in accordance with BSEF Rules can be canceled, corrected, adjusted or offset only in accordance with Rule 516.

Rule 513 Supervision

Each Participant shall be responsible for establishing, maintaining and administering reasonable supervisory procedures to ensure that its Authorized Traders and Supervised Persons, as applicable, comply with the BSEF Rules.

FINDINGS: On May 24, 2022, BNP executed a trade in a US Dollar / Colombian Peso Non-Deliverable Forward on BSEF with another Participant. After further inquiry, BSEF determined that the trade was executed in error and both parties agreed to correct the error; however, BNP did not notify BSEF in violation of BSEF Rule 516.

On March 13, 2023, BNP, in executing offsetting and correcting trades in the USD Swap vs SOFR 1Y swap contract on BSEF with another Participant, violated BSEF Rule 516.

On May 25, 2023, BNP, in executing offsetting and correcting trades in CDX IG CDSI S40 5Y swap contract on BSEF with another Participant, violated BSEF Rule 516.

Specifically, BSEF Rule 516 requires that Participants enter into an offsetting trade and/or correcting trade in accordance with the specific requirements set forth in the Rule. BNP violated BSEF Rule 516 by failing to follow the then effective specific requirements under the Rule when entering into offsetting and/or correcting trades.

Additionally, BSEF Rule 513 requires each Participant to establish, maintain, and administer reasonable supervisory procedures to ensure its Authorized Traders comply with BSEF rules. BNP violated Rule 513 by failing to administer supervisory procedures to ensure that error trades were properly reported and corrected on BSEF.

The violations did not result in financial harm to customers.

PENALTY:

On April 16, 2025, pursuant to BSEF Rule 612, the BSEF Chief Compliance Officer, in accordance with an accepted settlement offer, issued a Written Decision ordering BNP to pay \$50,000 for its violations of BSEF Rule 516 and Rule 513.

EFFECTIVE DATE:

May 15, 2025