

**BLOOMBERG SEF LLC**

**NOTICE OF DISCIPLINARY ACTION**

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**PARTICIPANT:** Morgan Stanley Capital Services LLC (“**MSCS**”)

**RULE VIOLATION:** RULE 516 Trade Cancellation, Correction, Offset and Adjustment

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 pursuant to this Rule.

**FINDINGS:** On May 23, 2025, MSCS, in accepting another Participant’s submission of offsetting and correcting trades in the ITRX EUR CDSI S43 5Y swap contract for execution on BSEF, violated BSEF Rule 516.

Specifically, pursuant to BSEF Rule 516, “[t]rades 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 pursuant to this Rule.” MSCS violated BSEF Rule 516 in offsetting and correcting an Error Trade not originally executed on BSEF.

The violation did not result in financial harm to customers.

**PENALTY:** On March 18, 2026, pursuant to BSEF Rule 612, the BSEF Chief Compliance Officer, in accordance with an accepted settlement offer, issued a Written Decision ordering MSCS to pay \$30,000 for its violations of BSEF Rule 516.

**EFFECTIVE DATE:** April 15, 2026