

BLOOMBERG SEF LLC

NOTICE OF DISCIPLINARY ACTION

PARTICIPANT: Bank of America, National Association ("BOA")

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

(a) 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.

FINDINGS: On January 29, 2025, BOA, in executing an offsetting trade in the CDX HY CDSI S40 5Y PRC ("CXPHY540") and CDX HY CDSI S43 5Y PRC ("CXPHY543") swap contracts on BSEF with another Participant, violated BSEF Rule 516. Specifically, BSEF determined that the parties had engaged in an offsetting trade of a partial notional of an initial trade executed between BOA and the Participant.

Pursuant to the BSEF Rulebook, an "Offsetting Trade" means "a Trade executed and submitted for clearing to a Clearing House, **with terms and conditions that economically reverse an Error Trade** that was accepted for clearing" (emphasis added). BOA violated BSEF Rule 516 when it engaged in an offsetting trade that did not economically reverse the Error Trade.

The violation did not result in financial harm to customers.

PENALTY: On November 17, 2025, pursuant to Rule 621, a summary fine in the amount of \$1,750 was assessed against BOA for its violations of BSEF Rule 516.

EFFECTIVE DATE: December 17, 2025