

BLOOMBERG SEF LLC

NOTICE OF DISCIPLINARY ACTION

PARTICIPANT:	Verition Fund Management LLC (“VFM”)
RULE VIOLATION:	<p>RULE 516 Trade Cancellation, Correction, Offset and Adjustment – General</p> <p>516.A Notification of Action Taken and Trade Review – Cleared Swaps</p> <p>(a) Cleared Swaps Executed on a Non-Anonymous Basis</p> <p>(i) If Participants involved in a Trade agree that the Trade is an Error Trade and that the cancellation, correction, adjustment or offset of the Error Trade is appropriate and will not adversely impact market integrity, facilitate market manipulation, or other illegitimate activity, or otherwise violate the CEA, CFTC Regulations or BSEF Rules, Participants may enter into an Offsetting Trade to correct an Error Trade or into a Correcting Trade using functionality approved by BSEF, as specified in Notice to Participants 2020-1. Use of such functionality required by BSEF will constitute notice to the Compliance Department and BSEF permission to perform the actions described in Rule 516.B(a).</p>
FINDINGS:	<p>On March 13, 2023, VFM, in executing offsetting and correcting trades in the USD Swap vs SOFR 1Y ("USOSFR1") contract on BSEF with another Participant, violated BSEF Rule 516. Specifically, BSEF Rule 516.A(a) requires Participants to notify BSEF of any error trades by taking corrective action using functionality approved by BSEF, as specified in Notice to Participants 2020-1. VFM violated the then effective BSEF Rule 516 by failing to use functionality approved by BSEF when entering offsetting and correcting trades. The violation did not result in financial harm to customers.</p>
PENALTY:	<p>On October 17, 2024, pursuant to Rule 621, a summary fine in the amount of \$1,250 was assessed against VFM for its violation of BSEF Rule 516.</p>
EFFECTIVE DATE:	November 7, 2024