



## SEF Products

### UNITED STATES COMMODITY FUTURES TRADING COMMISSION

Submitter Information	
<b>Organization Name</b> Bloomberg SEF LLC	
<b>Organization Type</b> SEF	<b>Organization Acronym</b> BSEF
<b>Submitted By</b> mrooney	<b>Email Address</b> mrooney63@bloomberg.net
Cover Sheet	
<b>Submission Number</b> 2508-1915-1836-52	<b>Submission Date</b> 8/19/2025 3:18:36 PM ET
<b>Submission Type</b> 40.2(a) Product Certification	
<b>Submission Description</b> SEK-SWESTR-OIS-Compound Fixed-to-Floating Interest Rate Swap Contract	
<input type="checkbox"/> <b>Request Confidential Treatment</b>	
<b>Registered Entity Identifier Code</b>	
<b>Intended Listing Date</b> 8/28/2025	
<input type="checkbox"/> <b>Listing Date Unknown</b>	
Product Information	
<b>Official Product Name</b> SEK-SWESTR-OIS-Compound Fixed-to-Floating Interest Rate Swap Contract	
<b>Product Type</b> Swap	<b>Settlement Method</b> Cash Settlement
<b>Product Group</b> Financial Instrument	<b>Product Sub Group</b> Interest Rate
<input type="checkbox"/> <b>Novel Product Subject to Jurisdictional Determination</b>	
<b>Product Publication Website</b> <a href="https://www.bloomberg.com/professional/products/trading/trading-venues/swap-execution-facility/compliance/">https://www.bloomberg.com/professional/products/trading/trading-venues/swap-execution-facility/compliance/</a>	
Documents	
2025-P-04.pdf	
Request For Confidential Treatment - Detailed Written Justification	
N/A	



August 19, 2025

VIA ELECTRONIC PORTAL

Mr. Christopher J. Kirkpatrick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, DC 20581

**Re: CFTC Regulation 40.2(a) Certification. Initial Listing of SEK-SWESTR-OIS-Compound Fixed-to-Floating Interest Rate Swap Contract**

**BSEF Submission No. 2025-P-04**

Dear Mr. Kirkpatrick:

Bloomberg SEF LLC ("**BSEF**") is certifying to the U.S. Commodity Futures Trading Commission ("**CFTC**" or "**Commission**") the initial listing of the SEK-SWESTR OIS Compound Interest Rate Swap contract (the "**Contract**") for trading on the swap execution facility operated by BSEF ("**SEF**") effective August 28, 2025, for trade date August 28, 2025. Capitalized terms used but not defined herein have the meanings ascribed to them in the Bloomberg SEF LLC Rulebook – Swap Execution Facility ("**BSEF Rulebook**").

## **A Description of the Contract's Terms and Conditions**

Each Contract is a fixed-to-floating interest rate swap on SEK-SWESTR-OIS Compound index (the "**Reference Rate Index**") in which one party (the fixed rate payer) makes periodic payments to another party (the floating rate payer) based on a fixed rate of interest multiplied by a notional amount in exchange for receipt of periodic payments based on an overnight rate index multiplied by the same notional amount upon which the fixed rate payments are based.

The Contract's terms are aligned with market standard and follow the 2021 ISDA Interest Rate Derivatives Definitions ("**2021 Definitions**"), developed by The International Swaps and Derivatives Association, Inc. ("**ISDA**")<sup>1</sup> and updated from time to time. SEK-SWESTR-OIS Compound index is the "floating rate option" for Swedish Krona short-term interest rate ("**SWESTR**") under the 2021 Definitions.

The 2021 Definitions define the following elements for interest rate swap contracts:

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<sup>1</sup> The 2021 Definitions are published by ISDA on its "MyLibrary" platform, available here: <https://www.isda.org/isda-solutions-infohub/mylibrary/>. For more information on the 2021 Definitions, please see: <https://www.isda.org/2021/10/04/2021-isda-interest-rate-derivatives-definitions>.

- Calculation Agent provisions
- Business Days and Currencies
- Dates and Periods, e.g., Business Day Convention
- Payments, Calculations and Corrections, E.g., Initial Exchange Amount, Final Exchange Amount
- Fixed Amount
- Floating Amounts, E.g., determination of Floating Rate and calculation of Floating Amount
- Overnight Rate Compounding
- Fallbacks
- Settlement Method

### ***Terms and Conditions of the Contract***

The terms and conditions of the Contract are set forth in Rule 1316 attached as Exhibit A. As described in Exhibit A, some terms of the Contract are fixed (i.e., reference rate index, reference rate index term value, notional currency, notional schedule, quoting convention, trading conventions), while other terms are flexible and determined by the counterparties (i.e., fixed rate, minimum increment, minimum size, trade start types, swap tenor, effective date and maturity/expiration date). This combination of standard and flexible terms allows the Contract to have a basic consistent form, while allowing counterparties to tailor some aspects of the Contract to their economic needs. This structure follows industry convention; the terms of the Contract match the terms of interest rate swap contracts that are commonly offered in the market under the 2021 Definitions.

SWESTR is not a referenced contract under CFTC Regulation 150.1.

### ***Calculation of Cash Settlement Price***

The Contract is financially settled. The cash settlement price will be calculated as follows:

- **Fixed Leg:** The payment amount is based on the following: Notional Amount, Payment Frequency, Payment Convention and Fixed Interest Rate.
- **Floating Leg:** The payment amount is based on the following: Notional Amount, Payment Frequency, Payment Convention, the value of the Reference Rate Index on the Payment/Reset Date and Floating Reset Dates.

All payments are settled in accordance with the rules of Clearing House or the 2021 Definitions.

### **B. Description of Underlying Commodity**

SWESTR is a reference rate calculated and published by Sveriges Riksbank. SWESTR is a transaction-based reference rate calculated by Sveriges Riksbank based on transactions executed on the money market from one banking day to the next in Swedish kronor.

Sveriges Riksbank has established criteria for the transaction dataset, which is representative of the overnight money market in Swedish kroner and designed to reduce the risk of manipulation of the reference rate. A full description of the calculation methodology that Sveriges Riksbank

uses is available here: <https://www.riksbank.se/en-gb/statistics/swestr/calculation-method-and-transaction-dataset-for-swestr/>.

The methodology for SWESTR follows international practice for calculating transaction-based reference rates. Additionally, Sveriges Riksbank has designed its governance around the International Organisation of Securities Commissions (IOSCO) Principles for Financial Benchmarks.

### **C. Compliance with Applicable Core Principles**

BSEF reviewed the swap execution facilities core principles (“**Core Principles**”) as set forth in the Commodity Exchange Act (“**CEA**”) and identified that the Contract may have some bearing on the following Core Principles:

#### ***§ 37.200 Core Principle 2—Compliance with rules.***

The Contract is not subject to the mandatory trading requirement under CFTC Regulation 37.12 and can be executed as set forth in Chapter 5 of the Rules of the BSEF Rulebook.

Trading in this Contract will be subject to Chapter 5 of the Rules which includes prohibitions against fraudulent, non-competitive, unfair and abusive practices and will be subject to monitoring and surveillance by the Compliance Department. The Compliance Department may use its investigatory and enforcement power where potential rule violations are identified during its regular surveillance reviews.

Chapter 6 of the Rulebook contains provisions that allow BSEF to discipline, suspend or expel Participants that violate the Rules. Trading in the Contract will be subject to Chapter 6, and the Compliance Department has the authority to exercise its enforcement power in the event rule violations related to this Contract are identified.

#### ***§ 37.300 Core Principle 3—Swaps not readily susceptible to manipulation.***

The Contract is not readily susceptible to manipulation for a number of reasons.

First, the underlying Reference Rate Index for the Contract is an excluded commodity as defined in section 1a(19) of the CEA, making manipulation difficult to achieve.

Second, the underlying rate for the Reference Rate Index is generated by Sveriges Riksbank through a transparent rules-based process, as described above and on the Sveriges Riksbank website. The process is based upon the IOSCO Principles for financial benchmarks and is available on Bloomberg and the Sveriges Riksbank website, both of which are reliable and widely accepted sources. Sveriges Riksbank is the central bank of Sweden and is a reliable and stable central bank.

Third, as noted above, the method for calculating the cash settlement price – involving a fixed leg and floating leg – is widely used, and generally accepted by market participants. The calculation of the fixed leg and floating leg are not within the control of the parties – the fixed leg is set at inception of the Contract and the floating leg is calculated as described above in Section B.

Additionally, BSEF has a market surveillance program that is designed to surveil this market, detect uncommon activity, and investigate any such activity for signs of manipulation.

Finally, a fixed-to-floating swap on SEK-SWESTR-OIS-Compound index was also submitted by LCH Limited for a mandatory clearing determination under CFTC Rule 39.5.<sup>2</sup>

**§ 37.400 Core Principle 4—Monitoring of trading and trade processing.**

Trading in the Contract will be subject to Chapter 5 of the Rules which include prohibitions on manipulation, price distortion, and disruptive trading practices. As with any new product listed for trading on the SEF, trading activity in the Contract proposed herein will be subject to monitoring and surveillance by Compliance Department.

Rule 409 requires Participants to retain information and provide to BSEF sufficient information to allow SEF to comply with Core Principle 4 with respect to trade monitoring and trade processing.

BSEF will monitor the calculation methodology of the underlying Index to determine if the Contract continues to be suitable for listing on the SEF. The calculation methodology of the Index is publicly available.

The Contract will be subject to risk controls set forth in Rule 535.

**§ 37.600 Core Principle 6—Position limits or accountability.**

BSEF will comply with Parts 150 and 151 of the Commission's regulations, as applicable.

**§ 37.900 Core Principle 9—Timely publication of trading information.**

Trading volume and price information will be published daily on BSEF's website at <https://data.bloombergsef.com/>.

BSEF certifies that: (1) the Contract complies with the Commodity Exchange Act, 7 U.S.C. §1 et seq. and regulations thereunder; and (2) this submission has been posted on BSEF's website at <https://www.bloomberg.com/professional/products/trading/trading-venues/swap-execution-facility/compliance/> concurrently with the filing of the submission with the Commission.

Should you have any questions concerning the above, please contact the undersigned at 212-617-7331 or [dglatter1@bloomberg.net](mailto:dglatter1@bloomberg.net).

Sincerely,

/s/ Daniel Glatter, Chief Compliance Officer

Exhibit A: SEF Rule 1371

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<sup>2</sup> <https://www.cftc.gov/IndustryOversight/IndustryFilings/ClearingOrganizationProducts/50005>

**Exhibit A****RULE 1371. SEK SWESTR OIS Fixed-to-Floating Swap Contract**

<b>Contract Overview</b>	An agreement to exchange a stream of cash flows by applying a fixed and floating interest rate to a specified notional over a term to maturity.
<b>Ticker</b>	SEK SWESTR OIS [Swap Tenor or Maturity Date]
<b>Notional Currency</b>	SEK
<b>Reference Rate Index</b>	SEK-SWESTR-OIS Compound
<b>Reference Rate Index Term Value</b>	1 day
<b>Fixed Rate</b>	Par; custom coupon
<b>Notional Schedule</b>	Constant
<b>Quoting Convention</b>	Fixed Rate
<b>Minimum Increment</b>	CLOB: 100,000 Trading Protocols other than CLOB: 0.01
<b>Minimum Size</b>	CLOB: 100,000 Trading Protocols other than CLOB: 0.01
<b>Trading Conventions</b>	Pay Fixed, Receive Float Receive Fixed, Pay Float
<b>Trade Start Types</b>	Spot: A new swap where the Effective date is T+2 from the trade date. Non-Spot: Any date where the Effective Date is a date other than the spot date
<b>Fixing Offset</b>	0 to 10 days
<b>Payment Conventions</b>	Fixed Leg <ul style="list-style-type: none"><li>○ Payment: Annual</li><li>○ Day Count Conventions: ACT/360</li><li>○ Holiday Calendar: Sweden</li><li>○ Business Day Conventions: Modified Following with adjustment to period end dates</li></ul> Floating Leg <ul style="list-style-type: none"><li>○ Payment: Annual</li><li>○ Resets: Daily</li><li>○ Day Count Conventions: ACT/360</li><li>○ Holiday Calendar: Sweden</li><li>○ Business Day Conventions: Modified Following with adjustment to period end dates</li></ul>
<b>Swap Tenor</b>	The duration of time from the effective date to the maturity date. A contract can have a tenor from 7 days to up to 4050 days.
<b>Effective Date</b>	Unadjusted date at which the obligations under the Swap come into effect.
<b>Maturity/Expiration Date</b>	Unadjusted date at which the obligations under the Swap stop being effective.
<b>Final Contractual Settlement Date</b>	Expiration Date
<b>Payment Lag</b>	Fixed leg: 0 days or the same number of days as the Floating Leg Floating leg: 2 to 5 days
<b>Settlement Method</b>	Financially settled
<b>Settlement Procedure</b>	As determined by the Clearing House or Bilateral
<b>Settlement Currency</b>	SEK
<b>“Made Available to Trade” Determination</b>	None

<b>Mandatory Clearing Determination</b>	None
<b>Trading Hours</b>	00:01-24:00 Sunday-Friday (Eastern Time)
<b>Clearing House</b>	LCH Limited
<b>Block Size</b>	As set forth in Appendix F to Part 43 of the CFTC Regulations
<b>Speculative Limits</b>	As set forth in Part 150 of the CFTC Regulations
<b>Reportable Levels</b>	As set forth in CFTC Regulation 15.03