

June 13, 2024

Submitted via Portal

U.S. Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

Re: CFTC Regulation 40.6(a) Certification. Issuance of BSEF Notice to Participants 2024-R-09

Ladies and Gentlemen:

Bloomberg SEF LLC (“**Bloomberg SEF**”) is certifying to the U.S. Commodity Futures Trading Commission (“**CFTC**” or “**Commission**”) the issuance of BSEF Notice to Participants 2024-R-09 regarding **Rule 524. A** of the Rulebook.

This Notice to Participants is effective on **June 28, 2024**. A copy of the Notice is attached as **Exhibit A**.

Bloomberg SEF reviewed the swap execution facility core principles (“**Core Principles**”) as set forth in the Commodity Exchange Act (“**Act**” or “**CEA**”) and CFTC Regulations and identified that the amendment of Rule 524. A may have some bearing on the following CFTC Regulations and Core Principles:

- **CFTC Regulation 37.9 Methods of Execution for required and Permitted Transactions:** Notice 2024-R-09 provides clarification on the prohibition and aggregation of executions to meet block size.
- **Monitoring of Trading and Trade Processing (Core Principle 4):** Notice to Participants 2024-R-09 provides guidance for Participants on the regulatory requirements intended for Block Trading. It is intended to assist Participants with remaining in compliance.

Bloomberg SEF certifies that: (i) the Notice to Participants complies with the Act and the Commissions regulations thereunder, and (ii) a notice and copy of this submission has been concurrently posted on Bloomberg SEF’s website. There were no substantive opposing view to the Notice to Participants.

Please contact the undersigned at (212) 617-7331 with any questions regarding this matter.

Very truly yours,



Daniel Glatter  
Chief Compliance Officer

Bloomberg SEF LLC  
731 Lexington Avenue  
New York, NY 10022

**Enclosure**

## **Exhibit A**

Bloomberg SEF LLC

Notice to Participants 2024-R-09

<b>Platform MIC</b>	BBSF
<b>Subject</b>	<b>Interpretive Guidance: Block Trading Pursuant to the BSEF Rules</b>
<b>Rule References</b>	BSEF Rules 506.B, 522.E, 524.A, 531.A
<b>Date of Notice to Participants</b>	June 13, 2024
<b>Notice to Participants Number</b>	2024-R-09
<b>Effective Date</b>	June 28, 2024

Participants are reminded of the application of the following BSEF Rules for Block Trades. Effective on June 28, 2024 and pending all relevant CFTC review periods, this Notice to Participants supersedes **Notice to Participants 2014-3**. From June 28, 2024, **Notice to Participants 2014-3** is withdrawn.

### **Aggregation and Execution of Block Trades - BSEF Rules 506.B, 522.E, and 531.A**

BSEF Rule 506.B (Pre-Arranged Transactions) allows Participants to pre-arrange Swaps with a notional or principal amount at or above the Appropriate Minimum Block Size applicable to such Swap, and BSEF Rule 522.E (Block Trades in Swaps) and Rule 531.A (Block Trades) allow Participants to execute such Swaps either outside the SEF Platform or using Request for Quote Functionality.

Please note that Orders from different accounts may be aggregated to meet the Appropriate Minimum Block Size *only by a Participant that is a Qualified Account Manager*.

To qualify as a Block Trade, an entire Order must be executed at the same time. In addition, aggregation of executions into one Trade to satisfy the Appropriate Minimum Block Size by executing portions of an Order or Orders that are below the Appropriate Minimum Block Size at different times is not permitted.

Similarly, the disaggregation of Orders that are at or above the Appropriate Minimum Block Size into multiple smaller executions that are below the Appropriate Minimum Block Size are not permitted to be executed outside the SEF Platform.

A Package Transaction can be executed pursuant to BSEF Rule 531.A (Block Trades) only if all Swap components that are Required Transactions are above the Appropriate Minimum Block Size.

### **Record Retention Requirements - BSEF Rule 524.A**

Participants must retain the information required by BSEF Rule 524.A and the date and time when the Block Trade was executed, as required by BSEF Rule 531.A (Block Trades).

### **Reporting of Block Trades – BSEF Rule 531.A**

The execution of several Block Trades and reporting as one Block Trade with a “blended,” “average,” or “weighted” execution price, is not permitted.

Please note the execution time of a Block Trade is the time that the trade is consummated, which is the time that the parties agree to the trade in principle. A Block Trade that is a Package Transaction is

**Bloomberg SEF LLC  
Notice to Participants 2024-R-09**

deemed to be consummated at the time when the parties agree to the package price, and not at the time the leg prices are determined.

Capitalized terms used, but not defined herein, have the meanings assigned to them in the Bloomberg SEF Rulebook, which is available at <https://www.bloomberg.com/professional/product/sefcompliance/>.