

September 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: Amendments to the Bloomberg SEF LLC Rulebook  
BSEF Submission No. 2024-R-12

Ladies and Gentlemen:

Bloomberg SEF LLC (“**BSEF**”) is certifying to the U.S. Commodity Futures Trading Commission (“**CFTC**” or “**Commission**”) the amendment of Rule 1400 and the contracts described in Rules 1401, 1402, 1403, and 1405 (collectively, the “**Rule Amendments**”). The Rule Amendments are effective on September 27, 2024. A concise explanation of the Rule Amendments is in the below table.

Rulebook Chapter	Rule	Amendment Explanation
<b>Chapter 14.</b> Foreign Exchange Contracts Terms and Conditions	Rule 1400. Reference Currency List	Modify Reference Currencies and Settlement Currencies available for foreign exchange contracts.
	Rule 1401. Non-Deliverable Forward	Modify Settlement Currencies available for non-deliverable forward contracts.
	Rule 1402. Vanilla FX Option	Modify Settlement Currencies available for vanilla foreign exchange option contracts.
	Rule 1403. Barrier Option	Modify Settlement Currencies available for barrier foreign exchange option contracts.
	Rule 1405. Average Rate Forward	Modify Settlement Currencies available for average rate forward contracts.

**Exhibit A** provides amendments to the applicable BSEF Rulebook Chapters in redline format.

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

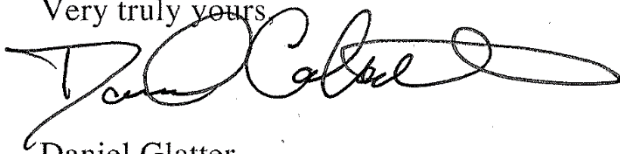
- **Swaps Not Readily Susceptible to Manipulation (Core Principle 3)**: BSEF believes that the Rule Amendments do not change the prior determination that the swaps described in Rules 1401, 1402, 1403, and 1405 are not readily susceptible to manipulation.

Pursuant to Section 5c(c) of the Act and CFTC Regulations 40.6(a), BSEF hereby certifies that the Rule Amendments comply with the Act, including regulations under the Act. There were no substantive opposing views to the proposal.

BSEF certifies that this submission has been concurrently posted on the Bloomberg SEF website at <https://www.bloomberg.com/professional/product/sef-compliance/>.

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 RULEBOOK

SEPTMBER ~~13~~27, 2024

## CHAPTER 14. FOREIGN EXCHANGE CONTRACTS TERMS AND CONDITIONS

### RULE 1400. Reference Currency List

The below currencies are available Reference Currencies for Chapter 14 contracts.

- AOA Angolan Kwanza
- ARS Argentine Peso
- [AUD Australian Dollar Spot](#)
- AZN Azerbaijani Manat
- BRL Brazilian Real
- [CAD Canadian Dollar Spot](#)
- [CHF Swiss Franc Spot](#)
- CLP Chilean Peso
- CNY Chinese Renminbi, [including CNH \(Hong Kong Settlement\)](#)
- COP Colombian Peso
- CRC Costa Rican Colon
- [CZK Czech Koruna Spot](#)
- DOP Dominican Republic Peso
- EGP Egyptian Pound
- ETB Ethiopian Birr
- EUR Euro
- [GBP British Pound Spot](#)
- GEL Georgian Lari
- GHS Ghanaian Cedi
- GTQ Guatemalan Quetzal
- [HKD Hong Kong Dollar Spot](#)
- HNL Honduran Lempira
- [HUF Hungarian Forint Spot](#)
- IDR Indonesian Rupiah
- [ILS Israeli Shekel Spot](#)
- INR Indian Rupee
- [JPY Japanese Yen Spot](#)
- KES Kenyan Shilling
- KRW South Korean Won
- KZT Kazakh Tenge
- MYR Malaysian Ringgit (See Notice to Participants 2017-3 on BSEF's website)
- MZN Mozambican Metical
- [MXN Mexican Peso Spot](#)
- NGN Nigerian Naira
- [NOK Norwegian Krone Spot](#)
- NPR Nepalese Rupee
- [NZD New Zealand Dollar Spot](#)
- PEN Peruvian Nuevo sol
- PHP Philippine Peso
- PKR Pakistani Rupee
- [PLN Polish Zloty Spot](#)
- PYG Paraguayan Guarani
- [RON Romanian Leu Spot](#)
- RUB Russian Ruble
- RWF Rwandan Franc
- [SEK Swedish Krona Spot](#)
- [SGD Singapore Dollar Spot](#)
- [TRY Turkish Lira Spot](#)
- TWD Taiwan Dollar
- TZS Tanzanian Shilling
- UAH Ukrainian Hryvnia
- UGX Ugandan Shilling
- [USD U.S. Dollar](#)
- UYU Uruguayan Peso
- VND Vietnamese Dong
- XAF Central African Franc
- XOF West African Franc
- ZAR South African Rand
- ZMW Zambian Kwacha

## RULE 1401. Non-Deliverable Forward

<b>Contract Overview</b>	A non-deliverable forward (NDF) is a forward contract which counterparties settle by exchanging in Settlement Currency the difference between the Forward Rate and the Fixing Rate on the Fixing Date on an agreed notional amount. Forward Rate means the rate of exchange from converting the unit currency into the quoted currency determined at the inception of the contract. Fixing Rate means the rate of exchange from converting the unit currency into the quoted currency determined on the Fixing Date.
<b>Ticker</b>	[NDF] [Currency Pair] [Settlement Currency] [Expiration Date]
<b>Reference Currency</b>	Any currency listed in Rule 1400.
<b>Reference Currency Rate Source</b>	<ul style="list-style-type: none"> <li>Any source described in Section 4.5A of ANNEX A to the 1998 FX and Currency Option Definitions published by International Swaps and Derivatives Association, Inc and Trade Association for the Emerging Markets; or</li> <li>“Bloomberg MID” or “BFX03” as described in Section 4.5B of ANNEX A to the 1998 FX and Currency Option Definitions published by International Swaps and Derivatives Association, Inc and Trade Association for the Emerging Markets; or</li> <li>“WM/RefinitivMID” or “WMR03” as described in Section 4.5B of ANNEX A to the 1998 FX and Currency Option Definitions published by International Swaps and Derivatives Association, Inc and Trade Association for the Emerging Markets.</li> </ul>
<b>Settlement Currency</b>	Any <del>ISO 4217 Currency or CNH. For CNH, the settlement location is Hong Kong</del> <a href="#">currency listed in Rule 1400.</a>
<b>Quoting Convention</b>	Forward Rate
<b>Minimum Increment</b>	Any value greater than zero.
<b>Minimum Size</b>	Any value greater than zero.
<b>Notional Currency</b>	Currency in which contract size is expressed in, as agreed by counterparties.
<b>Trading Conventions</b>	Buy or Sell
<b>Effective Date</b>	The unadjusted date at which obligations come into effect.
<b>Fixing/Expiration Date</b>	The date that the difference between the Forward Rate and the Fixing Rate is calculated and unadjusted date at which obligations stopped being effective.
<b>Final Contractual Settlement Date</b>	Unadjusted date by which all transfer of cash should take place and the counterparties no longer trade any outstanding obligations under the contract, as agreed by counterparties.
<b>Settlement Method</b>	Financially settled
<b>Settlement Procedure</b>	Bilateral settlement performed in settlement currency.
<b>Clearing House</b>	None
<b>Trading Hours</b>	14:00 Sunday to 17:00 Friday Eastern Time.
<b>Block Size</b>	As set forth in Appendix F to Part 43 of the CFTC Regulations.
<b>Speculative Limits</b>	As set in Part 150 of the CFTC Regulations.
<b>Reportable Levels</b>	As set in CFTC Regulation 15.03.

## RULE 1402. Vanilla FX Option

<b>Contract Overview</b>	Option on a spot foreign exchange contract. An agreement granting the owner the right, but not the obligation, to exchange the notional amount of the reference currency and the settlement currency at the <del>Forward Rate</del> <a href="#">Strike Price</a> on the exercise date. <del>Forward Rate means the rate of exchange from converting the unit currency into the quoted currency determined at the inception of the contract.</del>
<b>Ticker</b>	[CUO] [VAN] [Currency Pair] [Settlement Currency] [Expiration Date] [Option Type] [Strike Price]
<b>Reference Currency</b>	Any currency listed in Rule 1400.
<b>Reference Currency Rate Source</b>	<ul style="list-style-type: none"> <li>Any source described in Section 4.5A of ANNEX A to the 1998 FX and Currency Option Definitions published by International Swaps and Derivatives Association, Inc and Trade Association for the Emerging Markets; or</li> <li>“Bloomberg MID” or “BFX03” as described in Section 4.5B of ANNEX A to the 1998 FX and Currency Option Definitions published by International Swaps and Derivatives Association, Inc and Trade Association for the Emerging Markets; or</li> <li>“WM/RefinitivMID” or “WMR03” as described in Section 4.5B of ANNEX A to the 1998 FX</li> </ul>

	and Currency Option Definitions published by International Swaps and Derivatives Association, Inc and Trade Association for the Emerging Markets.
<b>Settlement Currency</b>	Any <del>ISO 4217 Currency or CNH. For CNH, the settlement location is Hong Kong</del> currency listed in Rule 1400.
<b>Strike Price</b>	<del>Forward Rate</del> The rate of exchange from converting the unit currency into the quoted currency determined at the inception of the contract.
<b>Option Premium Currency</b>	Settlement Currency
<b>Quoting Convention</b>	Premium
<b>Minimum Increment</b>	Any value greater than zero.
<b>Minimum Size</b>	Any value greater than zero.
<b>Notional Currency</b>	A put or a call currency, as applicable
<b>Option Style</b>	<ul style="list-style-type: none"> <li>• <b>Physical settlement:</b> American or European</li> <li>• <b>Financial settlement:</b> European</li> </ul>
<b>Option Type</b>	<ul style="list-style-type: none"> <li>• <b>Put:</b> Gives the buyer of the option the right to sell the reference currency.</li> <li>• <b>Call:</b> Gives to the buyer of the option the right to buy the reference currency</li> </ul>
<b>Valuation method</b>	Vanilla
<b>Effective Date</b>	Unadjusted date at which obligations under the swap come into effect
<b>Expiration Date/Fixing Date</b>	Unadjusted date at which obligations stopped being effective. For financially settled options the Expiration Date is the same as the Fixing Date. The Fixing Date is the date on which the difference between the <del>Forward Rate</del> <b>Strike Price</b> and the Fixing Rate is calculated.
<b>Final Contractual Settlement Date</b>	Unadjusted date by which all transfer of cash should take place and the counterparties no longer trade any outstanding obligations under the contract, as agreed by counterparties.
<b>Settlement Method</b>	<ul style="list-style-type: none"> <li>• <b>Physically settled:</b> The settlement performed by exchange of the full amount of Reference Currency and the Settlement Currency.</li> <li>• <b>Financially Settled:</b> The settlement performed by exchanging in the Settlement Currency the difference between the <del>Forward Rate</del> <b>Strike Price</b> and the Fixing Rate on the Fixing Date applied on the agreed put or call amount. Fixing Rate means the rate of exchange from converting the unit currency into the quoted currency determined on the Fixing Date based on the spot rate published by Reference Currency Rate Sources</li> </ul>
<b>“Made Available to Trade” Determination</b>	None
<b>Mandatory Clearing Determination</b>	None
<b>Trading Hours</b>	14:00 Sunday to 17:00 Friday Eastern Time
<b>Settlement Procedure</b>	Bilateral; partial exercise is permitted.
<b>Clearing House</b>	None
<b>Block Size</b>	As set forth in Appendix F to Part 43 of the CFTC Regulations.
<b>Speculative Limits</b>	As set in Part 150 of the CFTC Regulations
<b>Reportable Levels</b>	As set in CFTC Regulation 15.03

## RULE 1403. Barrier Option

<b>Contract Overview</b>	Option on a spot foreign exchange contract. An agreement granting the buyer of the option the right, but not the obligation, to exchange the notional amount of the Reference Currency and the Settlement Currency at the <b>Forward Rate Strike Price</b> on the exercise date if the Reference Currency spot rate reaches a specified rate (“Barrier Rate”) during the term of the agreement. <b>Forward Rate</b> means the rate of exchange from converting the unit currency into the quoted currency determined at the inception of the contract.
<b>Ticker</b>	[CUO] [BARR] [Currency Pair] [Settlement Currency] [Expiration Date] [Option Type] [Strike Price]
<b>Reference Currency</b>	Any currency listed in Rule 1400.
<b>Reference Currency Rate Source</b>	<ul style="list-style-type: none"> <li>Any source described in Section 4.5A of ANNEX A to the 1998 FX and Currency Option Definitions published by International Swaps and Derivatives Association, Inc and Trade Association for the Emerging Markets; or</li> <li>“Bloomberg MID” or “BFX03” as described in Section 4.5B of ANNEX A to the 1998 FX and Currency Option Definitions published by International Swaps and Derivatives Association, Inc and Trade Association for the Emerging Markets; or</li> <li>“WM/RefinitivMID” or “WMR03” as described in Section 4.5B of ANNEX A to the 1998 FX and Currency Option Definitions published by International Swaps and Derivatives Association, Inc and Trade Association for the Emerging Markets.</li> </ul>
<b>Settlement Currency</b>	Any <del>ISO 4217 Currency or CNH. For CNH, the settlement location is Hong Kong</del> currency listed in Rule 1400.
<b>Strike Price</b>	<del>Forward Rate</del> The rate of exchange from converting the unit currency into the quoted currency determined at the inception of the contract.
<b>Barrier Rate</b>	Reference Currency exchange rate that either springs the option into existence or extinguishes an already existing option.
<b>Barrier Style</b>	<ul style="list-style-type: none"> <li><b>American:</b> Barrier is breached at any time before the Expiration Date</li> <li><b>European:</b> Barrier breached only at the Expiration Date.</li> </ul>
<b>Barrier Direction/Style</b>	<ul style="list-style-type: none"> <li><b>Up-and-out:</b> The option exists at the inception of the contract. The Reference Currency spot price starts below the Barrier Rate at the inception of the contract and must move up for the option to become null and void.</li> <li><b>Down-and-out:</b> The option exists at the inception of the contract. The reference Currency spot price starts above the Barrier Rate at the inception of the contract and has to move down for the option to become null and void.</li> <li><b>Up-and-in:</b> No option exists at the inception of the contract. The Reference Currency spot price starts below the Barrier Rate at the inception of the contract and must move up for the option to come into existence.</li> <li><b>Down-and-in:</b> No option exists at the inception of the contract. The Reference Currency spot price starts above the Barrier Rate and must move down for the option to come into existence.</li> </ul>
<b>Option Premium Currency</b>	Settlement Currency
<b>Quoting Convention</b>	Premium
<b>Minimum Increment</b>	Any value greater than zero.
<b>Minimum Size</b>	Any value greater than zero.
<b>Notional Currency</b>	A put or a call currency, as applicable
<b>Option Style</b>	<ul style="list-style-type: none"> <li><b>Physically settled:</b> American or European</li> <li><b>Financially settled:</b> European</li> </ul>
<b>Option Type</b>	<ul style="list-style-type: none"> <li><b>Put:</b> gives the buyer of the option the right to sell the Reference Currency.</li> <li><b>Call:</b> gives to the buyer of the option the right to buy the Reference Currency</li> </ul>
<b>Valuation method</b>	Barrier
<b>Effective Date</b>	Unadjusted date at which obligations under the swap come into effect
<b>Expiration Date/Fixing Date</b>	Unadjusted date at which obligations stopped being effective. For financially settled options the Expiration Date is the same as the Fixing Date. The Fixing Date is the date on which the difference between the <b>Forward Rate Strike Price</b> and the Fixing Rate is calculated.
<b>Final Contractual Settlement Date</b>	Unadjusted date by which all transfer of cash should take place and the counterparties no longer trade any outstanding obligations under the contract, as agreed by counterparties.
<b>Settlement Method</b>	<ul style="list-style-type: none"> <li><b>Physically settled:</b> The settlement performed by exchange of the full amount of Reference Currency and the Settlement Currency.</li> <li><b>Financially Settled:</b> The settlement performed by exchanging in the Settlement Currency the difference between the <b>Forward Rate Strike Price</b> and the Fixing Rate on the Fixing Date applied on the agreed put or</li> </ul>



## RULE 1405. Average Rate Forward

<b>Contract Overview</b>	An average rate forward (ARF) is a forward contract which counterparties settle by exchanging in Settlement Currency the difference between the Forward Rate and the Fixing Rate. Forward Rate means the rate of exchange from converting the unit currency into the quoted currency determined at the inception of the contract. Fixing Rate means the rate of exchange from converting the unit currency into the quoted currency as determined on the Fixing Date by averaging spot rates taken at specified point during the Observation Period.
<b>Ticker</b>	[ARF] [Currency Pair] [Settlement Currency] [Fixing Date]
<b>Reference Currency</b>	Any currency listed in Rule 1400
<b>Reference Currency Rate Source</b>	<ul style="list-style-type: none"> <li>• Any source described in Section 4.5A of ANNEX A to the 1998 FX and Currency Option Definitions published by International Swaps and Derivatives Association, Inc and Trade Association for the Emerging Markets; or</li> <li>• “Bloomberg MID” or “BFX03” as described in Section 4.5B of ANNEX A to the 1998 FX and Currency Option Definitions published by International Swaps and Derivatives Association, Inc and Trade Association for the Emerging Markets; or</li> <li>• “WM/RefinitivMID” or “WMR03” as described in Section 4.5B of ANNEX A to the 1998 FX and Currency Option Definitions published by International Swaps and Derivatives Association, Inc and Trade Association for the Emerging Markets.</li> </ul>
<b>Settlement Currency</b>	Any <del>ISO 4217 Currency or CNH. For CNH, the settlement location is Hong Kong</del> <a href="#">currency listed in Rule 1400.</a>
<b>Quoting Convention</b>	Forward Rate
<b>Minimum Increment</b>	Any value greater than zero.
<b>Minimum Size</b>	Any value greater than zero.
<b>Notional Currency</b>	Currency in which contract size is expressed in, as agreed by counterparties.
<b>Trading Conventions</b>	Buy or Sell
<b>Observation Period</b>	As agreed by counterparties.
<b>Observation Period Point Schedule</b>	As agreed by counterparties.
<b>Effective Date</b>	The unadjusted date at which obligations come into effect.
<b>Final Contractual Settlement Date</b>	Unadjusted date by which all transfer of cash should take place and the counterparties no longer trade any outstanding obligations under the contract, as agreed by counterparties.
<b>Settlement Method</b>	Financially Settled
<b>Fixing Date/Expiration Date</b>	The date that the difference between the Forward Rate and the Fixing Rate is calculated and unadjusted date at which obligations stopped being effective.
<b>Settlement Procedure</b>	Bilateral settlement performed in the settlement currency
<b>Trading Hours</b>	14:00 Sunday to 17:00 Friday Eastern Time
<b>Clearing House</b>	None
<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