

December 9, 2024

Submitted via Portal

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

Re: CFTC Regulation 40.6(a) Certification. Issuance of BSEF Notice to Participants 2024-R-19

Ladies and Gentlemen:

Bloomberg SEF LLC (“**Bloomberg SEF**”) is certifying to the U.S. Commodity Futures Trading Commission (“**CFTC**” or “**Commission**”) the (i) issuance of BSEF Notice to Participants 2024-R-19 regarding Participants’ obligation to review and update BSEF records and (ii) withdrawal of Notice to Participants 2022-2.

This Notice to Participants is effective on **December 23, 2024**. A copy of the Notice is attached as **Exhibit A**.

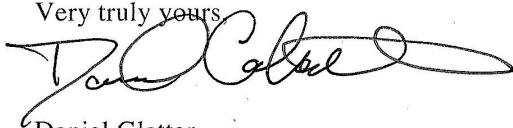
Bloomberg SEF reviewed the swap execution facility core principles (“**Core Principles**”) as set forth in the Commodity Exchange Act (“**Act**” or “**CEA**”) and identified that the Notice to Participants may have some bearing on the following Core Principle:

- **Compliance With Rules (Core Principle 2):** Notice 2024-R-19 reminds Participants of their ongoing obligation to keep current the existing information maintained in BSEF’s Participant onboarding records database, known as ENFB.

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

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BLOOMBERG SEF LLC

Notice to Participants No. 2024-R-19

PARTICIPANT BULLETIN DECEMBER 9, 2024

SEF Rules 301, 302, 401(b), 402, and 524: Participants' Obligation to Review and Update Participants' Records with BSEF

This Participant Bulletin supersedes and replaces Notice to Participants 2022-2.¹

Bloomberg SEF LLC (“**BSEF**”) reminds Participants of their ongoing obligation to keep current the existing information maintained in BSEF’s Participant onboarding records database, known as ENFB. On a regular basis, Participants should visit ENFB to verify the information they have provided, and if necessary, update such information as soon as possible. Failure to maintain correct Participant information may constitute a violation of SEF Rules and it may result in inaccurate reporting to BSEF’s swap data repository (“**SDR**”).

This Participant Bulletin outlines certain requirements and actions that Participants are required to take, and how BSEF may use Participant-provided ENFB information. Any section of this Participant Bulletin that is new or has been updated since the last Participant Bulletin has been marked below with “[**new**]” or “[**updated**],” accordingly.

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

I. PARTICIPANT-PROVIDED ENFB INFORMATION

A. SEF TRADING STATUS [updated**]**

Participants are required to select their SEF Trading Status on ENFB from the options provided in Table 1 below. The SEF Trading Status selected by a Participant will be used by BSEF for market monitoring and assignment of an allocation indicator for SDR-reporting purposes² and a Customer Type Indicator (“**CTI**”) code.³

Table 1. SEF Trading Status options on ENFB (Trading tab)

SEF Trading Status	
Agent	Principal
Agent – Asset Manager	Principal – Swap Dealer/MSP
Agent – Direct Market Access Customer	Principal – Non Swap Dealer/MSP
Agent – FCM	Principal – Direct Market Access Customer
Agent – Inter-Dealer Broker (not CFTC-registered)	Principal – FCM
Agent – Introducing Broker	Sponsoring Broker
Agent – Corporate Treasury	

¹ The prior Participant Bulletin dated September 22, 2022 is available here: <https://assets.bbhub.io/professional/sites/10/BSEF-Notice-To-Participants-2022-2.pdf>.

² See Section II.A. for a description of how BSEF assigns an allocation indicator.

³ Please see SEF Rule 524.B for a full list of CTI Codes.

B. INTERMEDIATION VIA PRIME BROKER INDICATOR [new]

Parts 43 and 45 of the CFTC Regulations (“**SDR Reporting Rules**”) require BSEF to indicate whether a Counterparty to a Swap is a Prime Broker.⁴ To comply with this requirement, BSEF requires Participants to designate relevant foreign exchange (“**FX**”) Swaps as Prime Brokerage transactions. To assist Participants with this requirement, BSEF introduced a new ENFB field for FX Swaps, “Intermediate FX Trades via Prime Broker,” which is now available.

Participants who exclusively intermediate FX Trades via a Prime Broker should set the value of the “Intermediate FX Trades via Prime Broker” field to “YES.” If a Participant sets the “Intermediate FX Trades via Prime Broker” value to “YES,” BSEF will require a Participant to select the appropriate Prime Broker on FX Swaps tickets.

If a Participant sets the “Intermediate FX Trades via Prime Broker” value set to “NO,” but the FX Swap is intermediated via a Prime Broker, the Participant must remember to select its Prime Broker on the FX Swap ticket; the ticket will not require a selection, but Participants must nonetheless select a Prime Broker to ensure proper SDR reporting.

BSEF will set the default value of the “Intermediate FX Trades via Prime Broker” field to “NO.” A Participant will be able to change the value to “YES” as described above.

BSEF requests Participants to make their election on ENFB by **January 31, 2025**. BSEF reminds Participants that the failure to designate a Prime Broker for a Trade that is intermediated by a Prime Broker constitutes a violation of the SEF Rules.

C. FEDERAL ENTITY INDICATOR

The SDR Reporting Rules require BSEF to indicate whether each Counterparty to a Trade is a “federal entity”.⁵ To comply with this requirement, BSEF requests each Participant to indicate its status or non-status as a federal entity in ENFB (YES/NO).

BSEF will set the default value of the “Federal Entity” indicator to “NO.” A Participant will be able to change the value to “YES.” It is an obligation of a Participant to change it to “YES” if the Participant is a federal entity.

D. SEF REPORTING STATUS [new]

The SDR Reporting Rules require BSEF to indicate which Counterparty is a reporting counterparty⁶ and indicate whether each Counterparty to a Trade is a “financial entity,” as defined in section 2(h)(7)(C) of the Commodity Exchange Act.

To comply with this requirement, BSEF requires Participants to indicate their SEF Reporting Status on ENFB by selecting one of the values in Table 2. BSEF will report to its SDR a transaction of a Participant

⁴ See Appendix 1 to Part 45 of the CFTC Regulations, Data Element 99 (Prime brokerage transaction indicator). The definition of this Data Element requires an “[i]ndicator of whether the swap transaction satisfies the definition of “mirror swap” or “trigger swap” as defined in CFTC Regulation 43.2(a).

⁵ See Appendix 1 to Part 45 of the CFTC Regulations, Data Elements 23 (Counterparty 1 federal entity indicator) and 24 (Counterparty 2 federal entity indicator).

⁶ See CFTC Regulation 45.8(h).

with the “financial entity” indicator for the Participant⁷ if a Participant selects any value in Table 2 except “Other.”

Table 2. SEF Reporting Status options on ENFB (Trading tab)

SEF Reporting Status	
Financial Entity	Swap Dealer
Limited Major Swap Participant	Major Swap Participant
Limited Swap Dealer	Other

E. PARTICIPANT PROFILE FORM [new]

BSEF requires Participants to provide on their SEF Participant Profile Form certain identifying information to ensure proper reporting to an SDR and compliance with CFTC and certain Canadian regulations. Failure to provide complete and accurate information may result in a violation of SEF Rules.

F. CLEARING EXEMPTION INDICATOR AND CLEARING EXEMPTION CATEGORIES [updated]

The SDR Reporting Rules require BSEF to indicate if a Reporting Counterparty has elected a clearing requirement exception or exemption.⁸ BSEF will use such election to determine if a Participant’s Swap is eligible for execution under SEF Rule 522.D. BSEF will set the default value of the “SEF Clearing Exemption” to “None.” Participants may elect an applicable clearing requirement exception or exemption from the options listed in Table 3.

Table 3. SEF clearing requirement exception and exemption options on ENFB (Clearing tab)

SEF Clearing Exemption	
None	FDIC-Insured Small Bank (SMBK)
Cooperative (COOP)	End User / Not a Financial Entity (ENDU)
Affiliate - Agent Entity (OTHR)	Savings and Loan Holding Company (OTHR)
Bank Holding Company (OTHR)	Savings Association (SMBK)
Captive Finance Company (OTHR)	Inter-Affiliate (AFFL)
Community Development Financial Institution (OTHR)	Central Bank/Sovereign (OTHR)
Credit Union (SMBK)	International Financial Institution (OTHR)
Eligible Treasury Affiliate (NOAL)	Intra-Entity (OTHR)
Farm Credit System Institution (SMBK)	

⁷ See Appendix 1 to Part 45 of the CFTC Regulations, Data Elements 16 (Counterparty 1 financial entity indicator) and 17 (Counterparty 2 financial entity indicator).

⁸ See Appendix 1 to Part 45 of the CFTC Regulations, Data Elements 11 (Clearing exceptions and exemptions – Counterparty 1) and 12 (Clearing exceptions and exemptions – Counterparty 2).

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II. BSEF-ASSIGNED INFORMATION

A. ALLOCATION INDICATOR **[updated]**

BSEF will assign an “allocation indicator”⁹ to each Trade executed on the SEF based upon the Participant’s selected SEF Trading Status.¹⁰

Please contact your Sales representative if you will use BSEF in more than one trading capacity. It is important that a Participant establishes a separate ENFB profile for each SEF Trading Status, if needed, based on the Participant’s facts and circumstances. This helps to ensure that the Participant executes each Trade using the appropriate ENFB profile and such Trade has the correct allocation indicator. Participants that plan to “allocate” transactions must provide the LEI of each Account.¹¹

Based on the SEF Trading Status that a Participant selects, BSEF will report to its SDR the allocation status for a Participant’s Trade as follows:

1. Participants trading in an Agent capacity:

Reporting a Trade with a Participant’s LEI and an allocation indicator of “UNAL” will not be permitted.

- If no allocations are provided, the Trade will be reported with the allocation indicator “PREA” and the LEI of the Participant.
- If multiple allocations are provided, the Trade will be reported with the allocation indicator “PREA” and the LEI of the Participant.
- If only one allocation is provided, the Trade will be reported with the allocation indicator “UNAL” and the LEI of the Account.

2. Participants trading in a Principal capacity:

Multiple allocations will not be permitted. Reporting of a trade with a Participant’s LEI and allocation indicator “PREA” will not be permitted.

- All Trades will be reported with the allocation indicator “UNAL” and the LEI of the Participant.

3. Participants acting as a Sponsoring Broker:

The allocation indicator will be calculated based on the Trading Status of the Participant’s Direct Market Access Customer.

⁹ See Appendix 1 to Part 45 of the CFTC Regulations, Data Element 91 (Allocation indicator). The definition of this Data Element requires an “[i]ndicator of whether the swap transaction is intended to be allocated, will not be allocated, or is a post-allocation transaction.” The CFTC Technical Specification dated March 1, 2023 prescribes the use of one of the following appropriate indicators: POST = An indication that the transaction is the result of an allocation; PREA = An indication that the transaction is to be allocated; or UNAL = An indication that the transaction is not a post-allocated transaction and/or is not to be allocated.

¹⁰ See Section I.A. for a description of SEF Trading Status.

¹¹ Allocation to a single Account is not considered an “allocation” within the meaning of CFTC Regulations 45.1 and 45.3(c) and cannot be reported with the allocation indicator PREA and the LEI of a Participant acting as an agent. Failure to provide the LEI of the Account will result in inaccurate SDR reporting and a potential violation of the SEF Rules by a Participant acting as an agent. Participants should refer to CFTC Regulations 45.3(c), 45.4(c) and 45.5 (e) with respect to the reporting obligations for allocated swaps.

4. Participants using a Prime Broker to intermediate FX Swaps:

BSEF will report to BSEF's SDR all FX Swaps intermediated by a Prime Broker (e.g., a "trigger swap"¹²) with the Prime Broker as a Counterparty and the allocation indicator "UNAL."

¹² See CFTC Regulation 43.2(a) for the definition of a "trigger swap."