

Notice to Participants

Bloomberg SEF Rule 516.A: Alleged Error Trade Correction

Alleged Error Trades may be offset and/or corrected without the prior consent of BSEF's Compliance Department, provided such offset/correction is done in accordance with Rule 516.A(c) Trade Review and Notification of Action Taken – Cleared Swaps, which is attached as **Annex A** to this Notice.

Participants that wish to correct an Alleged Error Trade in accordance with Rule 516.A(c) should raise an RFQ ticket, refer to the field denoted "RFQ Minimum Exception" and choose "Error Offset" or "Error Correction" from the drop-down menu options before submitting an Order. For BOLT trades, Participants should select the checkbox "Error Offset/Correction" and choose "Error Offset" and/or "Error Correction" from the drop-down menu options before submitting an Order.

Participants should take note of timing restrictions for correcting Alleged Error Trades executed on a Friday or the day before a Holiday as set forth in Rule 516.A(c).

Capitalized terms used, but not defined herein, shall have the meanings ascribed to them in the Bloomberg SEF Rulebook.

Effective Date: March 12, 2020

Annex A

Rule 516.A Trade Review and Notification of Action Taken – Cleared Swaps

(a) Except as set forth in subsection (c) of this Rule, to request cancellation, correction, adjustment or offset of a Trade in Cleared Swaps alleged to be erroneous (“**Alleged Error Trade**”), a Participant must notify the BSEF Support Desk at 1-212-617-1530 or bsefdesk@bloomberg.net or by any form of written communication approved by BSEF by providing the Trade ID (FIT Key) of the Alleged Error Trade and stating the grounds for the request as soon as possible, but no later than the end of the Business Day following the date of execution of the Alleged Error Trade. For notifications received after such date, BSEF shall have discretion as to whether to review the request to cancel, correct, adjust or offset the Alleged Error Trade.

(b) Except as set forth in subsections (c) and (d) of this Rule, for an Alleged Error Trade, the Compliance Department will review promptly the electronic audit trail of the Alleged Error Trade as well as any facts and circumstances associated with the Alleged Error Trade. If BSEF makes an affirmative finding that the Alleged Error Trade was the result of a clerical or operational error and that the cancellation, correction, adjustment or offset of the Alleged Error Trade is appropriate and would not adversely impact market integrity, facilitate market manipulation or other illegitimate activity, or otherwise violate the CEA, CFTC Regulations or BSEF Rules, BSEF will designate such Alleged Error Trade as an “**Error Trade**.”

(c) If Participants involved in an Alleged Error Trade agree that the Alleged Error Trade was the result of an operational or clerical error or omission and that the cancellation, correction, adjustment or offset of the Alleged 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 a Trade with Offsetting Terms to correct an Alleged Error Trade or into a correcting Trade using functionality approved by BSEF, as specified in Notice to Participants 2020-1, without Compliance Department review, as set forth in Rule 516(c)(iii). Use of such functionality required by BSEF will constitute notice to the Compliance Department. An Alleged Error Trade executed on a Friday or the day before a Holiday may not be corrected as set forth in this Rule 516.A(c).

(d) For an Alleged Error Trade, corrected pursuant to subsection (c) of this Rule 516.A, the Compliance Department will conduct an *ex post facto* review of the Alleged Error Trade, the Trade with Offsetting Terms and the correcting Trade within **one** Business Day of the date of execution of the Trade with Offsetting Terms and the correcting Trade. Such *ex post facto* review will include a review of the electronic audit trail of the Alleged Error Trade, as well as other facts and circumstances associated with the Alleged Error Trade. If BSEF makes an affirmative finding that the Alleged Error Trade was offset and corrected in compliance with subsection (c) of this Rule 516.A, BSEF will make an affirmative finding that such Alleged Error Trade was an Error Trade. If BSEF makes an affirmative finding that such Alleged Error Trade was not an Error Trade, BSEF Compliance will consider any action appropriate under BSEF Rules.

(e) Except as set forth in subsection (c) of this Rule 516.A, BSEF will inform affected Participants of the Error Trade and of the next steps that the Participants must or could make. BSEF will also inform the affected Participants of the final disposition of the Error Trade.

(f) Except for a Trade executed via the CLOB, BSEF may, but is not obliged to, inform Participants affected by the Alleged Error Trade of the identity and contact information of any other Participant affected by the Alleged Error Trade.

(g) For Trades executed via the CLOB that are determined to be Error Trades, BSEF will inform Participants affected by the Error Trade of the identity and contact information of any other Participant affected by the Error Trade if (i) all such Participants agree to or are required to enter into Trades described in Rule 516.B; and (ii) all such Participants consent to the disclosure of their identity and contact information to any other Participant affected by the Error Trade.