SUBMISSION COVER SHEET

Registered Entity Identifier Code (optional): 2013-09p6 **Date: September 20, 2013**

***IMPORTANT*: CHECK BOX IF CONFIDENTIAL TREATMENT IS REQUESTED.**
☐

ORGANIZATION	Bloomberg SEF LLC

FILING AS A: ☐ **DCM** ☒ **SEF** ☐ **DCO** ☐ **SDR** ☐ **ECM/SPDC**

TYPE OF FILING

- **Rules and Rule Amendments**
  - ☐ Certification under § 40.6 (a) or § 41.24 (a)
  - ☐ "Non-Material Agricultural Rule Change" under § 40.4 (b)(5)
  - ☐ Notification under § 40.6 (d)
  - ☐ Request for Approval under § 40.4 (a) or § 40.5 (a)
  - ☐ Advance Notice of SIDCO Rule Change under § 40.10 (a)
- **Products**
  - ☒ Certification under § 39.5(b), § 40.2 (a), or § 41.23 (a)
  - ☐ Swap Class Certification under § 40.2 (d)
  - ☐ Request for Approval under § 40.3 (a)
  - ☐ Novel Derivative Product Notification under § 40.12 (a)

RULE NUMBERS

None applicable; terms and conditions of the "Foreign Exchange: Precious Metals Contract" ("Contract") are attached as Attachment A.

DESCRIPTION

In accordance with Commodity Futures Trading Commission ("Commission") Regulation § 40.2(a), this is a submission, by Bloomberg SEF LLC ("BSEF"), for Commission review and approval of a new outright forward contract – the "Foreign Exchange: Precious Metals Contract" ("Contract").

Bloomberg SEF LLC
New Contract Submission 2013-09p6
September 20, 2013

1. The Contract's terms and conditions are attached as Attachment A.

2. The intended listing date is September 24, 2013.

3. Attached, please find a certification that: (a) the Contract complies with the Act and the Commission regulations thereunder; and (b) concurrent with this submission, BSEF posted on its website: (i) a notice of pending certification of this Contract with the Commission; and (ii) a copy of this submission.

EXPLANATION AND ANALYSIS OF THE CONTRACT'S COMPLIANCE WITH APPLICABLE CORE PRINCIPLES AND COMMISSION REGULATIONS

As required by Commission Regulation § 40.2(a), the following analysis, in the form of narrative and explanatory charts, demonstrates that the Contract is consistent with the requirements of the Act and the Commission regulations and policies thereunder (in particular, Appendix B to Part 37 and Appendix C to Part 38, respectively).

Appendix B to Part 37—Demonstration of Compliance That a Contract Is Not Readily Susceptible to Manipulation

Core Principle 3 of Section 5h of the Act—Swaps Not Readily Susceptible to Manipulation. The swap execution facility shall permit trading only in swaps that are not readily susceptible to manipulation.

(a) Guidance.

(1) In general, a swap contract is an agreement to exchange a series of cash flows over a period of time based on some reference price, which could be a single price, such as an absolute level or a differential, or a price index calculated based on multiple observations. Moreover, such a reference price may be reported by the swap execution facility itself or by an independent third party. When listing a swap for trading, a swap execution facility shall ensure a swap's compliance with Core Principle 3, paying special attention to the reference price used to determine the cash flow exchanges. Specifically, Core Principle 3 requires that the reference price used by a swap not be readily susceptible to manipulation. As a result, when identifying a reference price, a swap execution facility should either: Calculate its own reference price using suitable and well-established acceptable methods or carefully select a reliable third-party index.

(2) The importance of the reference price's suitability for a given swap is similar to that of the final settlement price for a cash-settled futures contract. If the final settlement price is

manipulated, then the futures contract does not serve its intended price discovery and risk management functions. Similarly, inappropriate reference prices cause the cash flows between the buyer and seller to differ from the proper amounts, thus benefitting one party and disadvantaging the other. Thus, careful consideration should be given to the potential for manipulation or distortion of the reference price.

This Contract is an outright forward, in which the price is expressed in terms of troy ounce of a precious metal versus a foreign currency. The counterparties can choose from the following precious metals: gold, silver, platinum and palladium; and from a list of currencies, attached in Attachment A. As the price of Contract is fixed at the Trade Date, there is no applicable reference price.

Terms of the Contract

The terms of the contract appear in Attachment A; they include:

Contract Overview	A precious metal contract is an outright forward or spot in which counterparties agree to a price terms per Troy Ounce of a precious metal versus a currency.
Precious Metal	• Gold • Silver • Platinum • Palladium
Settlement Currency	List of available currencies are in Attachment A.
Quoting Convention and Minimum Increment	Notional amount, as agreed by counterparties.
Minimum Size	Notional amount, as agreed by counterparties.
Notional Currency	Currency in which contract size is expressed in.
Trading Conventions	Buy or Sell which refers to the contract size expressed in notional currency.
Trade Date	The date on which parties enter into the contract.
Settlement Date	Specified settlement or payment date.
Settlement Procedure	Bilateral settlement performed in settlement currency.
Trading Hours	00:01 -24:00 Sunday-Friday Eastern Time.
Block Size	As set forth in Appendix F to Part 43 of the CFTC Regulations.
Speculative Limits	As set in Part 151 of the CFTC Regulations.
Reportable Levels	As set in forth in CFTC Regulation 15.03.

Calculation of Cash Settlement Price

On the settlement date, the buyer of the Contract will make the agreed payment to the seller of the Contract in price terms per Troy ounce of the designated precious metal versus a designated currency. There is no upfront payment.

2) Cash settled contracts may be susceptible to manipulation or price distortion. In evaluating the susceptibility of a cash-settled contract to manipulation, a designated

contract market should consider the size and liquidity of the cash market that underlies the listed contract in a manner that follows the determination of deliverable supply as noted above in (b)(1). In particular, situations susceptible to manipulation include those in which the volume of cash market transactions and/or the number of participants contacted in determining the cash-settlement price are very low. Cash-settled contracts may create an incentive to manipulate or artificially influence the data from which the cash-settlement price is derived or to exert undue influence on the cash-settlement price's computation in order to profit on a futures position in that commodity.

The utility of a cash-settled contract for risk management and price discovery would be significantly impaired if the cash settlement price is not a reliable or robust indicator of the value of the underlying commodity or instrument. Accordingly, careful consideration should be given to the potential for manipulation or distortion of the cash settlement price, as well as the reliability of that price as an indicator of cash market values. Appropriate consideration also should be given to the commercial acceptability, public availability, and timeliness of the price series that is used to calculate the cash settlement price. Documentation demonstrating that the settlement price index is a reliable indicator of market values and conditions and is commonly used as a reference index by industry/market agents should be provided. Such documentation may take on various forms, including carefully documented interview results with knowledgeable agents.

The Contract is not readily susceptible to manipulation for a number of reasons. First, the foreign exchange and precious metals markets are extremely liquid market, making manipulation very difficult to achieve. Second, as noted above, the method for calculating the cash settlement price involves factors that are decided at the start of the contract. And last, BSEF has a robust market surveillance program that is effectively able to surveil this market, detect uncommon activity, and investigate any such activity for signs of manipulation.

(3) Where an independent, private-sector third party calculates the cash settlement price series, a designated contract market should consider the need for a licensing agreement that will ensure the designated contract market's rights to the use of the price series to settle the listed contract.

(i) Where an independent, private-sector third party calculates the cash settlement price series, the designated contract market should verify that the third party utilizes business practices that minimize the opportunity or incentive to manipulate the cash-settlement price series. Such safeguards may include lock-downs, prohibitions against derivatives trading by employees, or public dissemination of the names of sources and the price quotes they provide. Because a cash-settled contract may create an incentive to manipulate or artificially influence the underlying market from which the cash-settlement price is derived or to exert undue influence on the cash-settlement computation in order to profit on a futures position in that commodity, a designated contract market should, whenever practicable, enter into an information-sharing agreement with the third-party provider which would enable the designated contract market to better detect and prevent manipulative behavior.

Please see above regarding the calculation of the cash settlement price..

(ii) Where a designated contract market itself generates the cash settlement price series, the designated contract market should establish calculation procedures that safeguard against potential attempts to artificially influence the price. For example, if the cash settlement price is derived by the designated contract market based on a survey of cash market sources, the designated contract market should maintain a list of such entities which all should be reputable sources with knowledge of the cash market. In addition, the sample of sources polled should be representative of the cash market, and the poll should be conducted at a time when trading in the cash market is active.

Please see above regarding the calculation of the cash settlement price, indicating that the method of calculating the cash settlement price is widely accepted.

(iii) The cash-settlement calculation should involve computational procedures that eliminate or reduce the impact of potentially unrepresentative data.

(iv) The cash settlement price should be an accurate and reliable indicator of prices in the underlying cash market. The cash settlement price also should be acceptable to commercial users of the commodity contract. The registered entity should fully document that the settlement price is accurate, reliable, highly regarded by industry/market agents, and fully reflects the economic and commercial conditions of the relevant designated contract market.

Please see above regarding the appropriateness of the method used to generate the cash settlement price.

(v) To the extent possible, the cash settlement price should be based on cash price series that are publicly available and available on a timely basis for purposes of calculating the cash settlement price at the expiration of a commodity contract. A designated contract market should make the final cash settlement price and any other supporting information that is appropriate for release to the public, available to the public when cash settlement is accomplished by the derivatives clearing organization. If the cash settlement price is based on cash prices that are obtained from non-public sources (e.g., cash market surveys conducted by the designated contract market or by third parties on behalf of the designated contract market), a designated contract market should make available to the public as soon as possible after a contract month's expiration the final cash settlement price as well as any other supporting information that is appropriate or feasible to make available to the public.

The cash settlement price is made publicly available on BSEF's website on a timely basis.

(4) Contract terms and conditions requirements for futures contracts settled by cash settlement.

(i) An acceptable specification of the terms and conditions of a cash-settled commodity contract will also set forth the trading months, last trading day, contract size, minimum price change (tick size) and daily price limits, if any.

The terms and conditions of the contract include all applicable information, including the Trade Date, the Settlement Date, and the minimum size. As noted, most of these terms are determined by the counterparties.

(A) Commodity Characteristics: The terms and conditions of a commodity contract should describe the commodity underlying the contract.

The terms and conditions of the Contract note that the Contract is based on the applicable metals and foreign exchange rates.

(B) Contract Size and Trading Unit: An acceptable specification of the trading unit would be a contract size that is consistent with customary transactions in the cash market. A designated contract market may opt to set the contract size smaller than that of standard cash market transactions.

The size of the Contract is consistent with customary transactions in the market.

(C) Cash Settlement Procedure: The cash settlement price should be reliable, acceptable, publicly available, and reported in a timely manner as described in paragraphs (c)(3)(iv) and (c)(3)(v) of this appendix C.

The cash settlement procedure and an explanation of how it is reliable, widely accepted, publicly available, and reported in a timely manner appears above.

(D) Pricing Basis and Minimum Price Fluctuation (Minimum Tick): The minimum price increment (tick) should be set a level that is equal to, or less than, the minimum price increment commonly observed in cash market transactions for the underlying commodity. Specifying a futures' minimum tick that is greater than the minimum price increment in the cash market can undermine the risk management utility of the futures contract by preventing hedgers from efficiently establishing and liquidating futures positions that are used to hedge anticipated cash market transactions or cash market positions.

As agreed between the counterparties, the pricing basis is consistent with customary transactions in the market.

(E) Maximum Price Fluctuation Limits: Designated contract markets may adopt price limits to: (1) Reduce or constrain price movements in a trading day that may not be reflective of true market conditions but might be caused by traders overreacting to news; (2) Allow additional time for the collection of margins in times of large price movements; and (3) Provide a "cooling-off" period for futures market participants to respond to bona fide changes in market supply and demand fundamentals that would lead to large cash and futures price changes. If price-limit provisions are adopted, the limits should be set at levels

that are not overly restrictive in relation to price movements in the cash market for the commodity underlying the futures contract. For broad-based stock index futures contracts, rules should be adopted that coordinate with New York Stock Exchange ("NYSE") declared Circuit Breaker Trading Halts (or other market coordinated Circuit Breaker mechanism) and would recommence trading in the futures contract only after trading in the majority of the stocks underlying the index has recommenced.

As agreed between the counterparties.

(F) Last Trading Day: Specification of the last trading day for expiring contracts should be established such that it occurs before publication of the underlying third-party price index or determination of the final settlement price. If the designated contract market chooses to allow trading to occur through the determination of the final settlement price, then the designated contract market should show that futures trading would not distort the final settlement price calculation.

The last trading day is the Settlement Date, when the buyer must make the agreed upon payments.

(G) Trading Months: Trading months should be established based on the risk management needs of commercial entities as well as the availability of price and other data needed to calculate the cash settlement price in the specified months. Specification of the last trading day should take into consideration whether the volume of transactions underlying the cash settlement price would be unduly limited by occurrence of holidays or traditional holiday periods in the cash market. Moreover, a contract should not be listed past the date for which the designated contract market has access to use a proprietary price index for cash settlement.

The contract will be entered into on the Trade Date and the settlement payments will be made on the Settlement Date. As noted above, these dates will be set by the individual counterparties.

(H) Speculative Limits: Specific rules and policies for speculative position limits are set forth in part 150 and/or part 151, as applicable, of the Commission's regulations.

None required by Parts 150 or 151.

(I) Reportable Levels: Refer to § 15.03 of the Commission's regulations.

BSEF will adhere to the applicable reporting levels set forth in § 15.03 of the Commission's regulations.

(J) Trading Hours: Should be set by the designated contract market to delineate each trading day.

The Contract is traded twenty-four hours a day (00:01 – 24:00) (ET), Sunday to Friday.

CERTIFICATIONS PURSUANT TO SECTION 5c OF THE COMMODITY EXCHANGE ACT, 7 U.S.C. §7A-2 AND COMMODITY FUTURES TRADING COMMISSION REGULATION 40.2, 17 C.F.R. §40.2

I hereby certify that: 1) the "Foreign Exchange: Precious Metals Contract" complies with the Commodity Exchange Act, 7 U.S.C. §1 *et seq*. and regulations thereunder; and 2) concurrent with this submission, Bloomberg SEF LLC posted on its website: (a) a notice of pending certification of this Contract with the Commission; and (b) a copy of this submission.

By: Gregory Dumark
Title: Chief Compliance Officer
Date: September 20, 2013

Attachment A
Terms and Conditions

[*see attached*]

Bloomberg SEF LLC

Foreign Exchange:

Precious Metals Contract Specifications

Contract Overview	A **precious metal** contract is an outright forward or spot in which counterparties agree to a price terms per Troy Ounce of a precious metal versus a currency.
Precious Metal	• Gold • Silver • Platinum • Palladium
Settlement Currency	Currency defined in the list below:
Quoting Convention and Minimum Increment	Notional amount, as agreed by counterparties
Minimum Size	Notional amount, as agreed by counterparties
Notional Currency	Currency in which contract size is expressed in
Trading Conventions	Buy or Sell which refers to the contract size expressed in notional currency
Forward Rate	Currency Exchange rate expressed as the amount of Reference currency per unit of Settlement currency
Trade Date	The date on which parties enter into the contract
Settlement Date	Specified settlement or payment date
Settlement Procedure	Bilateral settlement performed in settlement currency
Trading Hours	00:01 -24:00 Sunday-Friday Eastern Time
Clearing Venue	Bilateral
Block Size	As set forth in Appendix F to Part 43 of the CFTC Regulations.
Speculative Limits	As set in Part 151 of the CFTC Regulations
Reportable Levels	As set in CFTC Regulation 15.03

Bloomberg SEF LLC

Currency list:

AED UAE Dirham
AFN Afghanistan Afghani
ALL Albanian Lek
AMD Armenia Dram
ANG Neth. Ant. Guilder
AOA Angolan Kwanza
ARS Argentine Peso (NDF)
ARS Argentine Peso
AUD Australian Dollar
AWG Aruban Guilder
BAM Bosnia-Herze Convrt Mrka
BBD Barbados Dollar
BDT Bangladesh Taka
BGN Bulgarian Lev
BHD Bahraini Dinar
BIF Burundi Franc
BMD Bermudian Dollar
BND Brunei Dollar
BOB Bolivian Boliviano
BRL Brazilian Real (NDF)
BSD Bahamas Dollar
BWP Botswana Pula
BYR Belarus Ruble
BZD Belize Dollar
CAD Canadian Dollar
CDF Congolese Franc
CHF Swiss Franc
CLF Chilean UF
CLP Chilean Peso
CNY China Renminbi (NDF)
COP Colombian Peso
CRC Costa Rican Colon
CVE Cape Verde Escudo
CZK Czech Koruna
DJF Djibouti Franc
DKK Danish Krone
DOP Dominican Repb.
DZD Algerian Dinar
EGP Egyptian Pound (NDF)
ERN Eritrean Nakfa
EUR Euro
FJD Fiji Dollar
GBP British Pound
GEL Georgia Lari
GMD Gambian Dalasi
GNF Guinea Franc
GTQ Guatemala Quetzal
GYD Guyana Dollar
HKD Hong Kong Dollar
HNL Honduras Lempira
HRK Croatia Kuna
HTG Haiti Gourde
HUF Hungarian Forint
IDR Indonesian Rupiah (NDF)
ILS Israeli Shekel
INR Indian Rupee (NDF)
ISK Iceland Krona
JMD Jamaica Dollar
JOD Jordanian Dinar
JPY Japanese Yen
KES Kenyan Shilling
KGS Kyrgyzstan Som
KHR Cambodia Riel
KMF Comoros Franc
KRW South Korean Won (NDF)
KWD Kuwaiti Dinar
KYD Cayman Islands Dollar
KZT Kazakhstan Tenge
LAK Laos Kip
LBP Lebanese Pound
LKR Sri Lankan Rupee
LTL Lithuanian Litas
LVL Latvian Lats
MAD Moroccan Dirham
MDL Moldova Leu
MGA Malagascy Ariary
MKD Macedonia Denar
MMK Myanmar Kyat
MNT Mongolian Togrog
MOP Macau Pataca
MRO Mauritania Ouguiya
MUR Mauritius Rupee
MVR Maldives Rufiyaa
MWK Malawi Kwacha
MXN Mexican Peso
MYR Malaysian Ringgit (NDF)
MZM Mozambique Metical
MZN New Mozambique Metical
NGN Nigeria Naira (NDF)
NID New Iraqi Dinar
NIO Nicaragua Cordoba
NLG Dutch Guilder
NOK Norwegian Krone
NPR Nepalese Rupee
NZD New Zealand Dollar
OMR Omani Rial
PAB Panamanian Balboa
PEN Peruvian New Sol
PGK Papua N.G. Kina
PHP Philippines Peso (NDF)
PKR Pakistani Rupee
PLN Polish Zloty
PTE Portuguese Escudo
PYG Paraguay Guarani
QAR Qatari Riyal
ROL Romanian Leu
RON New Romanian Leu
RSD Serbian Dinar
RUB Russian Ruble (NDF)
RWF Rwanda Franc
SAR Saudi Riyal
SBD Solomon Is. Dollar
SCR Seychelles Rupee
SDD Sudanese Dinar
SDG New Sudanese Pound
SDP Old Sudanese Pound
SEK Swedish Krona
SGD Singapore Dollar
SIT Slovenia Tolar
SKK Slovakia Koruna
SLL Sierra Leone Leone
SOS Somali Shilling
SRD Suriname Dollar
SSP South Sudanese Pound
STD Sao Tome Dobra

Bloomberg SEF LLC

SVC El Salvador Colon
THB Thai Baht
THO Thai Baht Onshore
TJS Tajikistan Somoni
TND Tunisian Dinar
TOP Tonga Pa'Anga
TRY Turkish Lira
TTD Trinidad/Tobago Dol
TWD Taiwan Dollar (NDF)
TZS Tanzanian Shilling
UAH Ukraine Hryvnia (NDF)
UDI Mexican UDI
UGX Ugandan Shilling
USD US Dollar
USDCLF CHILEAN UNIDAD SP
x10000
UYU Uruguay Peso
UZS Uzbekistan Sum
VEE Venezuela Essential Rate
VEF Venezuelan Bolivar
VND Vietnamese Dong (NDF)
VUV Vanuatu Vatu
WST Samoa (West) Tala
XAF CFA Franc Beac
XCD East Caribbean Dollar
XDR Special Drawing Rights
XOF CFA Franc Bceao
XPF Pacific Island Franc
XSU Sucre
YER Yemeni Rial
ZAR S. African Rand
ZMK Zambian Kwacha
ZMW Zambian Kwacha (NDF)
ZWR Zimbabwe Dollar