

What is a Block Trade? What is an ECRP?

Block and ECRP trades are trades that happen outside of CFE's central limit order book. Block trades have minimum size requirements; they are typically entered into by market participants that are looking to trade sizable positions, availing themselves of excess liquidity not afforded through the central limit order book.

ECRP stands for Exchange of Contract for Related Position. ECRPs are entered into by market participants that are looking to swap related exposures. For instance, if a market participant has a position in Cboe® iBoxx® iShares® \$ High Yield Corporate Bond Index Futures (symbol IBHY), but would prefer to hold a position in the iShares® iBoxx® \$ High Yield Corporate Bond ETF (symbol HYG), that market participant can enter into an ECRP with a counterparty that is willing to exchange the HYG position for an IBHY position.

Only CFE TPHs can be parties to a Block or ECRP trade reported to CFE. Any non-TPH must utilize a TPH to execute a Block or ECRP trade as agent on behalf of that non-TPH just as a non-TPH would need to use a TPH to execute an order through CFE's trading system.

Becoming an Authorized Reporter of Blocks and ECRPs

CFE Trading Privilege Holders (TPHs) need to utilize Authorized Reporters to report Block and ECRP trades to CFE. A TPH can register any individual that is pre-authorized by a CFE Clearing Member as an Authorized Reporter to report Block/ECRP transactions on behalf of the TPH by completing the applicable [Block Trade/ ECRP Authorized Reporter Registration and Guarantee form](#). See CFE Rules 414(i) and 415(f) for more information regarding Authorized Reporter designation requirements.

Once the submitted form is approved by Cboe Membership Services, Authorized Reporters are given access to the Block/ECRP Reporting Tool.

Who is Allowed to Become an Authorized Reporter for Block Trades and ECRPs?

Authorized Reporters can be:

- i. A designated individual that is a TPH or a Related Party of a TPH (partner, director, officer, branch manager, employee, etc.) who is pre-authorized by a Clearing Member of the TPH; or
- ii. A designated individual that is not a TPH or affiliated with a TPH (such an individual affiliated with a service provider, such as an interdealer broker) who is pre-authorized by a Clearing Member of the TPH.

Both the parties to, and Authorized Reporters for, a Block or ECRP trade are obligated to comply with the requirements related to those types of transactions under CFE Rules 414 and Rule 415.

Additionally, if and to the extent required by applicable law, an Authorized Reporter must be registered or otherwise permitted by the appropriate regulatory body or bodies to act in a capacity of an Authorized Reporter and to conduct related activities.

Trade confirmations will be sent to the Authorized Reporter responsible for the execution. Trade confirmations can be shared with the TPH being represented by the Authorized Reporter. Block and ECRP executions will be visible on the TPH Trade Data File located in the [Cboe Customer Web Portal](#).

Using the Block/ECRP Reporting Tool

The Block/ECRP Reporting Tool is located in the [Cboe Customer Web Portal](#).

Instructions for the Block/ECRP Reporting Tool can be found in the Customer Web Portal in the "Block and ECRP Trades" section of the "U.S. Customer Web Portal Specifications." The CFE Trade Desk can also arrange for training for Block Trade/ECRP participants.

The Tool uses Executing Firm IDs (EFIDs) as the identifier for trading participants. Trade details are entered into specific fields of the Block/ECRP Reporting Tool. Authorized Reporters are also required to provide the Account for the trade, CTI Code, OCC Capacity (Customer or Firm), and the Order Entry Operator ID of the Authorized Reporter.

Parties to a Block or ECRP trade need to share their EFID with their Authorized Reporter so that the Authorized Reporter can provide the EFID when the Authorized Reporter posts the transaction to the Block/ECRP Reporting Tool. A reference ID is provided through the web portal and via email to the Authorized Reporter that initiates the transaction notification in the web portal. That Authorized Reporter must then provide the reference ID to the Authorized Reporter for the contra-party to the transaction so that the Authorized Reporter of the contra-party can access the Block or ECRP transaction for acceptance in the web portal.

Minimum Transaction Sizes and Increments

Block Trades must satisfy the requirements of CFE Rule 415. ECRP transactions must satisfy the requirements of CFE Rule 414.

Contract	Block Minimum Trade Quantity	Block Minimum Price Increment	ECRP Minimum Trade Quantity	ECRP Minimum Price Increment
VX - Cboe Volatility Index® (VIX®) Futures	200*	0.005	1	0.005
IBHY - Cboe® iBoxx® iShares® \$ High Yield Corporate Bond Index Futures	50*	0.005	1	0.005
IBIG - Cboe® iBoxx® iShares® \$ Investment Grade Corporate Bond Index Futures	50*	0.005	1	0.005
XBT - Cboe Bitcoin Futures	50*	0.005	1	0.005
VA - S&P 500 Variance Futures	50,000 vega notional*	0.01	1,000 vega notional	0.01
VXTY - Cboe/CBOT 10-Year U.S. Treasury Note Volatility Index Futures	100*	0.01	1	0.01

* see the applicable contract specification rule chapter for information on Block Minimum Trade Quantity on spreads

Reporting Time Frames

Any Block or ECRP trade:

- i. must be agreed to during a queuing period or trading hours;
- ii. must be fully reported to CFE by no later than 30 minutes after the transaction is agreed upon for an ECRP transaction and by no later than 10 minutes after the transaction is agreed upon for a Block Trade; and
- iii. must be fully reported to CFE within a queuing period or trading hours.

Additional Information

This notice provides a high level summary of some of the Block Trade and ECRP transaction requirements at CFE and is not intended to be a comprehensive description of those requirements. Please refer to the CFE Rulebook, including CFE Rules 414 and 415 for further information.

This information is current as of November 14, 2018 and is subject to change.

More Information

For more information, please contact your Cboe Account Manager or the CFE Trade Desk at 312.786.8700 or cfetradedesk@cboe.com.

CFE Block/ECRP Reporting Tool Exhibit

Block and ECRP Trades

This tool allows you to report a block or ECRP trade, approve trades received and see details of past trades.

[New Trade Entry](#) | [Pending Trades](#) | [Past Trades](#)

Start New Transaction
Start by selecting the trade type you want to perform. All required information is marked with *.

New BLOCK ECRP
Replace

Product
Select the product details.

Product* Instrument / Expiration* Size* Price* Side* Type*

Time
Please enter all relevant times

Trade Time* (nearest minute) Arrangement Time (nearest minute)

10 min. for all parties to complete

Reporting Party
Complete the reporting party and additional information.

Cboe Trading, Inc. (Z)

EFID* Account* Clearing Account CTI Code* CMTA (Give Up) Capacity* Operator ID*

Counterparties Total Size: 0
Enter all the counterparties (up to 35).

1. EFID* Size* Remove

Instrument: Expiration: Price: Total Assigned: 0

Current Time: 0 Minutes Remaining Submit

Futures trading is not suitable for all investors, and involves the risk of loss. The risk of loss in futures can be substantial. You should, therefore, carefully consider whether such trading is suitable for you in light of your circumstances and financial resources. For additional information regarding futures trading risks, see the Risk Disclosure Statement set forth in CFTC Regulation §1.55(b).