

CFE Regulatory Circular RG16-018

Date: September 26, 2016

To: Clearing Members, Futures Commission Merchants and Foreign Brokers

From: CFE Regulation

RE: Ownership and Control Reporting Implementation

CBOE Futures Exchange, LLC (CFE) is issuing this regulatory circular to remind CFE Clearing Members, futures commission merchants, and foreign brokers (collectively called Reporting Firms) of the September 28, 2016 compliance date for the submission to CFE of new Form 102A and Form 102B.

Background

The Commodity Futures Trading Commission (CFTC) previously issued a conditional time-limited no-action letter¹ to extend certain compliance dates under the Ownership and Control Reports (OCR) Final Rule (OCR Rule).²

CFE previously filed CFE Rule Certification Numbers [CFE-2015-003](#), [CFE-2015-022](#), and [CFE-2016-005](#) with the CFTC, which amend CFE Rule 412B (now titled Ownership and Control Reports) to require electronic submission to CFE of the new and amended CFTC Forms 102A, 102B, and 71 implemented by the OCR Rule and which will become effective in accordance with the applicable compliance dates. This Regulatory Circular sets forth how Rule 412B will be made effective with respect to submission of these forms to CFE.

Who Must Report

Reporting Firms are required to report reportable account information to CFE on behalf of those accounts carried on their books that meet a reportable level.

Reportable Accounts

The position (Form 102A) and volume (Form 102B) thresholds that trigger the requirement to submit the electronic forms are referenced in the product specification rule chapter for each product listed on CFE. For example, the reportable position level for CBOE Volatility Index (VX) futures is set forth in CFE Rule 1202(n) and the reportable trading volume level for VX futures is set forth in Rule 1202(n) as amended by CFE-2016-005.

The position level in VX futures that triggers the requirement to submit Form 102A for an account is any open position in VX futures at the close of trading on any trading day equal to or in excess of 200

¹ The CFTC has issued conditional time-limited no-action relief to extend the compliance dates for reporting to September 28, 2016 for CFTC Forms 102A and 102B and November 17, 2016 for CFTC Form 71. [CFTC No Action Letter No. 16-32 \(April 8, 2016\)](#). The conditional time-limited no-action relief also addresses the reporting trigger for Form 102B and the provision of certain information requested by Forms 102A and 102B.

² [Ownership and Control Reports, Forms 102/102S, 40/40S, and 71; Final Rule, 78 FR 69178 \(November 18, 2013\)](#).

contracts on either side of the market.

The trading volume level in VX futures that triggers the requirement to submit Form 102B for an account, as set forth in [CFE-2016-005](#), is volume of 50 or more VX futures contracts during a single trading day or such other reportable trading volume threshold as may be designated by the CFTC.

Form 71

The CFTC may request, in its discretion, a special call for identification of omnibus accounts and sub-accounts (Form 71) when a volume threshold account is identified as a customer omnibus account on Form 102B. This request will be made by the CFTC to the originating firm for the account. An originating firm that is requested to submit Form 71 to the CFTC must also submit Form 71 to the CFE.

Compliance Dates

Form 102A submissions to CFE will have a compliance date that is the same as the CFTC compliance date for Form 102A. The current compliance date is September 28, 2016; therefore, CFE's compliance date will be September 28, 2016. Starting on September 28, 2016, all new Form 102A submissions to CFE must be submitted in the new format.

The compliance date for Form 102B submissions will be the same date as the CFTC compliance date for Form 102B, which is currently September 28, 2016. CFE's volume thresholds for the submission of Form 102B will be the same as the quantity thresholds established by the CFTC. The CFTC's most recent no-action relief provides that the reportable trading volume level that triggers the requirement to report a volume threshold account will be a trading volume of 250 or more contracts during a single trading day from September 29, 2016 until September 28, 2017 and will be 100 or more contracts during a single trading day from September 29, 2017 until August 29, 2018. After these time frames, this volume threshold will be 50 or more contracts during a single trading day.

With respect to Form 71, the CFTC's compliance date is November 17, 2016; therefore, CFE's compliance date for electronic submission of Form 71 will also be November 17, 2016.

Should the CFTC grant any further no-action relief that extends any of the compliance dates set forth above, CFE will defer the applicable compliance date(s) in line with any relief granted by the CFTC regarding the submission of these forms to the CFTC.

OCR Reporting Methods

CFE allows for two methods of transmitting Forms 102A, 102B, and 71 to CFE: XML-based OCR reporting and web-based OCR reporting.

Registration

Prior to submitting OCR forms, either via XML files or through the Web, Reporting Firms are required to register to do so. Production access is administered via a web-based form accessible at <https://cfe.cboe.com/OCR/registration.aspx>.

XML-Based OCR Reporting

CFE takes in the XML formatted files (as specified in the OCR Rule) for the submission of Forms 102A, 102B, and 71.

Production XML files can be submitted with the following filenames:

OCRFORM_102_FIRMID_YYYYMMDD_E_FILEID.xml[.zip]
 OCRFORM_71_FIRMID_YYYYMMDD_E_FILEID.xml[.zip]

| File Name Component | Mandatory | Description |
|---------------------|-----------|--|
| FIRMID | Yes | CFTC ID for the reporting firm |
| YYYYMMDD | Yes | Reporting date |
| FILEID | Yes | Identification to provide uniqueness in the file name for the reporting date. Reporters may use either time (HHMMSS) or another unique alphanumeric string |
| .xml | Yes | The XML file extension |
| .zip | No | File extension to be used if the reporter sends the file in a zip format. The zip file must contain only one file. |

Reporting Firms planning to submit OCR data using XML formatted files must have connectivity to the CBOE/CFE SFTP server. Firms without existing connectivity to CBOE/CFE SFTP server should contact infosecgroup@cboe.com and provide the SSH public key and the source networks from which the data will come.

Web-based OCR Reporting

The URL to manually submit Forms 102A, 102B, and 71 is <https://www.cboe.org/cfe-ocr>. This link is currently active for Beta testing. This link will become active for production submissions of Forms 102A and 102B commencing September 28, 2016 and will become active for production submissions of Form 71 commencing November 17, 2016.

Testing

Both methods for reporting to CFE are currently available for Beta testing. Prior to testing, Reporting Firms need to be registered as outlined above.

To test submissions via the manual submission through the Web, go to <https://www.cboe.org/cfe-ocr>.

The test filenames for the OCR submission via XML formatted files are:

OCRFORM_102_FIRMID_YYYYMMDD_E_FILEID[_TEST].xml[.zip]
 OCRFORM_71_FIRMID_YYYYMMDD_E_FILEID[_TEST].xml[.zip]

The link to access the test versions of the Web-based forms is also <https://www.cboe.org/cfe-ocr>.

Content and Timing of Reporting to CFE

Reporting Firms are required to concurrently file with CFE in the manner described above a copy of all Form 102A, Form 102B, and Form 71 submissions (including any attachments, related submissions, or related information) relating to CFE contracts that the Reporting Firm is required to report to the CFTC pursuant to CFTC regulations and no-action letters.

Forms 102A and 102B

CFTC regulations require Forms 102A and 102B to be filed with the CFTC to identify each reportable account. Form 102A generally must be submitted by 9:00 a.m. Chicago time the business day after the establishment of the reportable level. Form 102B generally must also be submitted by 9:00 a.m. Chicago time on the business day following the business day on which the reportable trading volume threshold is first triggered.

If an account becomes reportable in products listed on CFE and a Form 102A or Form 102B has already been filed for that account (as a result of becoming reportable at another exchange), the firm carrying the account must file with CFE a copy of the previously filed form.

If and when the information required in a previously submitted Form 102A or Form 102B changes, and the reportable trader in question continues to have a reportable level, the firm carrying the account has the responsibility to file an updated Form 102A or Form 102B, as applicable, with the CFTC and CFE.

Additional Information

Reporting Firms should refer to the [OCR Rule](#) and [CFTC No-Action Letter No. 16-32](#) for additional detail regarding CFTC OCR reporting requirements.

Please contact CFE Regulatory Interpretations and Guidance team at AskCFEReg@cboe.com or (312) 786-7229 for additional information on OCR reporting requirements. Please contact infosecgroup@cboe.com to establish connectivity to the CBOE/CFE SFTP server or CFEOCR@cboe.com regarding testing.