



CFE Regulatory Circular RG17-025

Date: December 6, 2017

To: Trading Privilege Holders

From: CFE Regulation

RE: Change to Spread Margin Requirements for Cboe Bitcoin (USD) Futures

Overview

This Regulatory Circular announces a change to the spread margin requirements for Cboe Bitcoin (USD) (XBT) futures that were previously published in CFE Regulatory Circulars RG17-018, RG17-020, and RG17-023.

The spread charge component of the spread margin requirement as previously published called for 5% of the net difference in the daily settlement prices of the subject contracts. The correct spread charge is, for each spread, 5% of the daily settlement price that is the greatest among all XBT futures contracts available for trading. The margin requirements for XBT futures are provided below.

The current margin requirements for XBT futures are below.

Margin Requirements for XBT Futures

All XBT futures contracts, outright

Speculative Customer Initial: 1.10 x Customer Maintenance

Customer Maintenance: 40% x daily settlement price

The customer maintenance margin requirement is both the initial and maintenance margin requirement for hedgers and Trading Privilege Holders (“TPHs”).

Note that the initial and maintenance margin requirements for XBT futures contracts will not be a set dollar amount as is the case with other CFE futures contracts. The margin requirements for XBT futures contracts will vary with their daily settlement price. Brokerage firms may impose higher margin requirements or impose other conditions, and might require margin as a percentage of a futures contract’s price at various times throughout the day.

Spread Margin Requirements (intra-commodity)

Speculative Customer Initial: 1.10 x Customer Maintenance

Customer Maintenance: the net difference between the outright maintenance margin requirement on the long contract(s) and the outright maintenance margin requirement on the short contract(s), plus, for each spread, a spread charge equal to 5% of the daily settlement price that is the greatest among all XBT futures contracts available for trading.

OCC has updated CFE's SPAN® file to accommodate SPAN margining of XBT futures contracts.

As with other CFE futures contracts, the margin rates for XBT futures are subject to change by OCC at any time.

Margin requirements for XBT futures contracts can be found in the CFE margin table located on the CFE website at <http://cfe.cboe.com/margins/cfe-margin>.

Additional information regarding XBT futures is available at cboe.com/bitcoin.

Questions regarding this circular may be directed to CFE Regulatory Interpretations at (312) 786-7229 or AskCFEReg@cboe.com.