



CFE Regulatory Circular RG17-029

Date: December 18, 2017
To: Trading Privilege Holders
From: Regulatory Division
Re: Electronic Reporting of Block Trades and Exchange of Contract for Related Position Transactions

Introduction to Trade Reporting Tool ("TRT")

The TRT is a web-interface to the Cboe Futures Exchange, LLC ("CFE") trading system that streamlines the reporting process for Block Trades and Exchange of Contract for Related Position transactions ("ECRPs") by allowing for these transactions to be electronically reported to CFE's trading system. TRT will remain in place until the migration of CFE's trading system to Bats technology. Upon the migration, Block Trades and ECRPs will be reported through the use of CFE's new trading system. **This circular replaces CFE Regulatory Circular RG14-014.**

Applicable Products

Authorized Reporters for Block Trades and ECRPs may utilize TRT to electronically report Block Trades and ECRPs in Cboe Volatility Index ("VX") futures and must utilize TRT to electronically report Block Trades and ECRPs in Cboe Bitcoin (USD) ("XBT") futures. For VX futures, this includes Trade at Settlement ("TAS") transactions that are Block Trades and ECRPs. TAS transactions in XBT futures are not permitted at this time.

Mandatory Use for XBT Futures

Use of TRT is mandatory for XBT futures. In accordance with CFE Rules 414 and 415, Authorized Reporters must use TRT to electronically report a Block Trade or ECRP in XBT futures. Authorized Reporters for both parties must have access to TRT in order to execute a Block Trade or ECRP transaction. If Authorized Reporters for both parties to a Block Trade or ECRP transaction do not have access to TRT, the transaction cannot be completed. Block Trades and ECRPs in XBT futures cannot be submitted to the Help Desk by e-mail.

Voluntary Use for VX Futures

Use of TRT is voluntary for VX futures. Authorized Reporters may use TRT to electronically report a VX Block Trade or ECRP only if each of the Authorized Reporters has already been enabled to access TRT and agrees with the other Authorized Reporter for the transaction to electronically report that transaction through TRT instead of manually reporting the transaction to the CFE Help Desk.

All Authorized Reporters, including Authorized Reporters that are enabled to access TRT, will still be able to report Block Trades and ECRPs to the CFE Help Desk by e-mail in accordance with the reporting schedule set forth in CFE Rules 414 and 415.

Enablement Process

Each Trading Privilege Holder (“TPH”) executing a Block Trade or ECRP must have at least one individual or firm that is pre-authorized by a CFE Clearing Member to act as an Authorized Reporter for the TPH to report Block Trades and/or ECRPs to CFE on behalf of the TPH. An Authorized Reporter must be a CFE TPH or a Related Party of a CFE TPH. In order to be registered as an Authorized Reporter, a completed Block Trade/ECRP Authorized Reporter Registration and Guarantee Form signed by an officer or Responsible Trader of a Clearing Member must be submitted to CFE. That Form may be accessed at:

<http://cfe.cboe.com/publish/CFETradingPermitForms/BlockTradeECRPAuthorizedReporterRegistrationandGuaranteeForm.pdf>

Submission instructions are noted on the Form.

If an Authorized Reporter has already been designated to CFE for a TPH through the submission of this Form, it is not necessary to resubmit this Form. In order to utilize TRT, Authorized Reporters must complete and submit the CFE Block Trade/ECRP Electronic Reporting System Authorized Reporter Web Access Request Form which is available on the CFE website at:

<http://cfe.cboe.com/publish/CFETradingPermitForms/BlockTradeECRPElectronicReportSysRegstForm.pdf>

The CFE Help Desk will contact Authorized Reporters that submit the Form to schedule a training session regarding the use of TRT.

Transaction Reporting

Authorized Reporters may submit electronic Block Trade and ECRP transaction reports through TRT during CFE trading hours and outside of CFE trading hours to the extent permitted by CFE Rules 414 and 415. For Block Trades and ECRPs that are submitted through TRT outside of trading hours, CFE’s trading system will generally disseminate the Block Trade or ECRP Contract leg and provide a transaction summary to the Authorized Reporters following the next commencement of trading hours.

The business day which Authorized Reporters submitting a Block Trade or ECRP through TRT designate for the Block Trade or ECRP Contract leg to be submitted for clearing must conform to the same parameters in this regard that apply to Block Trades or ECRPs that are reported to the Help Desk. These parameters are set forth in the first and third columns of the charts in CFE Rules 414(i) and 415(g) and may be modified in the event that CFE will not be open for business or will have shortened trading hours.

The Authorized Reporter that is the initiator of an electronic report of Block Trade or ECRP through TRT must enter the required information into TRT promptly enough to allow a reasonable amount of time for the other Authorized Reporter to electronically accept that report by no later than ten minutes after the transaction is agreed upon for a Block Trade and no later than thirty minutes after the transaction is agreed upon for an ECRP.

It is the responsibility of Authorized Reporters to effect and report Block Trades and ECRPs into TRT in conformity with applicable requirements. The acceptance of a Block Trade or ECRP by TRT and CFE's trading system does not constitute a determination by CFE that the transaction was effected or reported in conformity with applicable requirements. Block Trades and ECRPs that are not effected or reported in conformity with applicable requirements, even if accepted by TRT and CFE's trading system, remain subject to appropriate disciplinary action in accordance with CFE Rules.

Risk Control

CFE Clearing Members may set a maximum transaction size limit for Block Trades and ECRPs that are reported through TRT. A separate limit may be set for electronically reported Block Trades and for the Contract legs of electronically reported ECRPs. Each limit may be set by the executing TPH or executing TPH login. With respect to Block Trades and ECRPs with more than one Contract leg, the maximum transaction size limit shall apply with respect to the total number of Contracts of the transaction for strips and with respect to the largest Contract leg of the transaction for spreads.

In order to utilize this TRT risk control mechanism, Clearing Members must submit a completed CFE Block Trade/ECRP (TRT) Risk Controls Web Access and Login Request Form which is available on the CFE website at:

<http://cfe.cboe.com/publish/CFETradingPermitForms/CFEBlockTradeECRPRiskCtrlsForm.pdf>

Please follow the submission instructions noted on the Form.

The TRT risk control mechanism is separate from the other risk control mechanisms that CFE makes available to Clearing Members and cannot be utilized through Clearing Member access to CFE's other risk control mechanisms. Accordingly, Clearing Members must complete and submit the above Form in order to obtain access to the TRT risk control mechanism, instead of the Form used to obtain access to CFE's other risk control mechanisms.

Under CFE Rule 513A, Clearing Members are required to obtain access to and utilize the risk control mechanisms that CFE makes available for use by Clearing Members, including the above TRT risk control mechanism.

Additional Information

Please refer to CFE Rules 414(o) and 415(n) for further information regarding the CFE rule provisions that are applicable to the use of TRT.

Please contact the CFE Help Desk at helpdesk@cboe.com or (877) 226-3773 if you have any questions regarding TRT and please contact CFE Regulatory Interpretations at AskCFEReg@cboe.com or (312) 786-7229 if you have any questions about Block Trade or ECRP requirements.