

415. Block Trade Facility.

Block Trades between a Member's customers, between a Member (acting for itself or its Customers) and another Member, or between a Member and any Customer or between different profit centers of a Member having separate account numbers may be effected only through the electronic Block Trading Facility provided by the Exchange, rather than on the Trading System, in accordance with the provisions of this Rule.

- (a) A Member may conduct Block Trades only if the Member is an ECP.
- (b) A Member may not enter into a Block Trade with or on behalf of any Customer unless such Customer is:
 - (i) An ECP; or
 - (ii) Advised in connection with such Block Trade by a Person with total assets under management exceeding \$25 million and who is either:
 - (A) Registered as an investment adviser with the Securities and Exchange Commission, registered as a commodity trading advisor with the Commission, or exempt from any such registration; or
 - (B) A foreign Person performing a similar role or function and subject as such to foreign regulation.
- (c) A Member may effect a Block Trade on behalf of a Customer only if the Member has received an order to do so from the Customer. Such order must be recorded and time-stamped with the time the order is placed and the time the order is executed.
- (d) A Member may not take the opposite side of a Block Trade with a Customer without such Customer's prior consent, which may be in the form of a blanket consent to all transactions effected after such consent is given.
- (e) Block Trades may be transacted only in Contracts authorized for that purpose by the Exchange. The minimum number of contracts to qualify as a block trade under this rule are as follows:

Contract	Minimum Number <small>(7:20 am - 2:00 pm)</small>	Minimum Number
2 Year U.S. Treasury Note Future (FTNS)	1000*	250
5 Year U.S. Treasury Note Future (FTNM)	1000*	250
10 Year U.S. Treasury Note Future (FTNL)	1000*	250
30 Year U.S. Treasury Bond Future (FTBX)	500*	250

Contract	Minimum Number (7:20 am – 2:00 pm)	Minimum Number
Option on 2 Year U.S. Treasury Note Future (OTNS)	2500	2500
Option on 5 Year U.S. Treasury Note Future (OTNM)	2500	2500
Option on 10 Year U.S. Treasury Note Future (OTNL)	2500	2500
Option on 30 Year U.S. Treasury Bond Future (OTBX)	1500	1500

* See Rule 415(i) which requires a minimum of 2500 contracts if reported within 30 minutes.

- (f) A member may not aggregate separate customer orders to meet the contract minimums set forth in subsection (e) except that a member with total assets under management exceeding \$25 million and who is an investment adviser with the Securities and Exchange Commission, registered as a commodity trading advisor with the Commission, or exempt from any such registration or a foreign Person performing a similar role or function and subject as such to foreign regulation may aggregate multiple orders to meet the contract minimums for a Block Trade. In addition, different legs of a futures contract spread may not be aggregated to meet the contract minimums set forth in subsection (e).
- (g) Each time a Member quotes a Block Trade price, the Member must make clear to the potential counter-party(ies), whether a Member or Customer, that the price being quoted is a Block Trade price and not the traded price prevailing on the Trading System.
- (h) The transaction may be consummated at a price mutually agreed upon by the parties to the transaction; provided that,
- (i) the price for the Futures Contract does not exceed the range of the day's high and low by more than the following values;

Contract	Range
2 Year. Treasury Note Futures (FTNS)	0.05 percent (approximately 5 ticks)
5 Year U.S. Treasury Note Futures (FTNM)	0.1 percent (approximately 5 ticks)
10 Year U.S. Treasury Note Futures (FTNL)	0.1 percent (approximately 5 ticks)
30 Year U.S. Treasury Bond Futures (FTBX)	0.1 percent (approximately 5 ticks)

- (ii) or, in the case of an option, the price is no more than one-half the maximum applicable quote spread outside of the range of the day's high and low derived from a generally accepted theoretical model.

- (i) Immediately upon agreeing to enter into the Block Trade transaction, or upon the market's opening (or re-opening) if the transaction is agreed to be entered into by the parties at a time when the market is closed, the Member who is the Block Trade buyer (or whose Customer is the Block Trade buyer) shall enter the details of the Block Trade on the screen provided by the Exchange. With the exception of Block Trades that consist of at least 2500 U.S. Treasury futures contracts, within 15 minutes of entry of the details of the Block Trade on the screen, the Member who is the Block Trade seller (or whose Customer is the Block Trade seller) shall confirm such Block Trade. For Block Trades that consist of at least 2500 U.S. Treasury futures contracts, the Member who is the Block Trade seller (or whose Customer is the Block Trade seller) shall confirm such Block Trade within 30 minutes. The Exchange shall immediately notify the parties to the transaction of the details of the Block Trade upon confirmation, and immediately update the Online Time and Sales Report to reflect the transaction.
- (j) Upon request by any employee of the Market Supervision or Compliance Departments, Members must produce satisfactory evidence, including the name of the Customer if the transaction is in the name of an omnibus account or foreign broker, that the Block Trade was arranged in accordance with the Rules.