

DIVISION OF MARKET OVERSIGHT ADVISORY
Reporting Block Trade Volume Data Pursuant to Commission Regulation 16.01

The Division of Market Oversight (“DMO”) of the Commodity Futures Trading Commission (“Commission”) issues this advisory to instruct reporting markets how to report block trade volume data as required under Commission Regulation 16.01(d). The Commission recently amended Commission Regulation 16.01, which reporting markets were required to comply with as of October 17, 2012.¹ Specifically, Commission Regulation 16.01(a)(2)(vi) now provides that “[e]ach reporting market must record for each trading session . . . [t]he total volume of block trades included in the total volume of trading” (“Block Trade Volume Data”).² In turn, Commission Regulation 16.01(d) provides that reporting markets must submit to the Commission such Block Trade Volume Data “[u]sing the format, coding structure and electronic data transmission procedures approved in writing by the Commission or its designee”³

Currently, however, the accepted form and manner of reporting for Commission Regulation 16.01 data does not provide a field for reporting Block Trade Volume Data. The Office of Data and Technology (“ODT”) is in the process of transitioning its reporting systems to

¹ See Core Principles and Other Requirements for Designated Contract Markets, 77 FR 36612 (June 19, 2012). All references herein to Commission regulation 16.01, or any paragraph thereof, shall mean the regulation as amended. Generally, Part 16 establishes the Commission’s reporting requirements for designated contract markets and swap execution facilities.

² See *id.* at 36696. “Reporting markets” are defined in Commission regulation 15.00(q) to mean “a designated contract market, registered entity under section 1a(29) of the [Commodity Exchange Act], and unless determined otherwise by the Commission with respect to the facility or a specific contract listed by the facility, a registered derivatives transaction execution facility.” DMO notes that the definition of “registered entity,” as amended, is now located in CEA section 1a(40), and includes certain entities, such as derivatives clearing organizations and swap data repositories, that are not trading facilities for futures, options or swaps, and therefore are not subject to reporting under Part 16. See 7 U.S.C. 1a(40). Additionally, a “derivatives transaction execution facility” is no longer a registered entity.

³ See *id.* at 36697.

a new coding standard that will support an additional field for submitting Block Trade Volume Data.⁴ Therefore, pursuant to delegated authority,⁵ DMO is issuing the following guidance for reporting markets to use in providing Block Trade Volume Data to the Commission until ODT’s new coding standard has been finalized and approved.⁶

1. Reporting markets must provide to the Commission via email at Part16TechSupport@cftc.gov, no later than June 8, 2013, all Block Trade Volume Data required to have been reported for the period between October 17, 2012 and the date of this advisory.⁷ This data shall be formatted as a comma separated variable (CSV) file containing the following fields:

Interim Volume of Block Trades Reporting for Futures:							
Report Date	Exchange Identifier	Commodity	Delivery Year/Month	Futures Expiration Day *	Volume of Block Trades		
				* For date-specific futures			
Interim Volume of Block Trades Reporting for Options:							
Report Date	Exchange Identifier	Commodity	Delivery Year/Month **	Option Expiration Date	Put or Call	Strike Price	Volume of Block Trades
			** For options other than date-specific instruments, this is the expiration year and month of the options contract. For date-specific options, this is the delivery year and month of the underlying instrument.				

⁴ The current 80-byte character record previously used to report regulation 16.01 data is being replaced with a FIXML-based format.

⁵ See Commission Regulation 16.07 (delegating authority to the Director of DMO to act pursuant to Regulation 16.01(d)). Commission Regulation 16.01(d) establishes the manner in which Block Trade Volume Data must be submitted to the Commission, “[u]nless otherwise approved by the Commission or its designee”

⁶ DMO will notify reporting markets of such finalization and approval through a separate advisory.

⁷ DMO notes that this Advisory addresses only the reporting requirements for Block Trade Volume Data contained in Commission regulation 16.01(d), and does not address the recordkeeping requirements for Block Trade Volume Data contained in Commission regulation 16.01(a)(2)(vi). Therefore, reporting markets are required to have kept records of Block Trade Volume Data since October 17, 2012.

2. Reporting markets must provide to the Commission, from the date of this advisory going forward, Block Trade Volume Data on a daily basis, formatted and submitted according to the guidance in number one (above),⁸ until the reporting market becomes technologically capable of reporting daily Block Trade Volume Data pursuant to the new coding standard once finalized and approved, but in no case later than September 8, 2013.⁹

If you have any questions regarding this advisory, please contact Graham McCall at gmccall@cftc.gov or 202-418-6150, or Ed Wehner at ewehner@cftc.gov or 202-418-6764.

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⁸ In addition to the above guidance, Block Trade Volume Data should be submitted as soon as technologically practicable, but in no case later than 7:00 a.m. EST on the business day following the day to which the Block Trade Volume Data pertains.

⁹ The compliance timeline established in this Advisory is meant to provide reporting markets a reasonable period of time in which to update their reporting systems to meet ODT's forthcoming coding standard. To facilitate this process, ODT is establishing a working group to assist reporting markets in complying with Commission Regulation 16.01 reporting requirements. Reporting markets interested in conferring with this working group should notify ODT staff at Part16TechSupport@cftc.gov.