

## ICE SWAP TRADE, LLC BLOCK TRADE – FAQs

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## 1. Definitions

Unless otherwise defined below, all capitalized terms have the definition given to them in the ICE Swap Trade Rules.

## 2. What is a Block Trade?

The Commodity Futures Trading Commission (“CFTC”) defines a “Block Trade” as a transaction that is privately negotiated away from an exchange’s trading system or platform and is executed pursuant to the rules and procedures of the exchange. Rule 701 of the ICE Swap Trade Rulebook details the rules and procedures for executing a Block Trade. Block Trades must be entered into between Eligible Contract Participants, the underlying Order must state that is to be, or may be, executed as a Block Trade, and the quantity of the Block Trade must meet the Appropriate Minimum Block Size threshold for executing on the SEF.

## 3. What are the eligible Contracts and the Appropriate Minimum Block Size for a Block Trade?

Rule 701(k) and Table 1 (below) provides details on the Appropriate Minimum Block Size Requirements for Block Trades. To determine whether a listed Contract is eligible to be treated as a Block Trade, please review the individual Contract specifications in the ICE Swap Trade rulebook.

Table 1.

ICE Swap Trade Appropriate Minimum Block Size Requirements for Block Trade Submissions in USD Millions Notional					
Tenor		Spread (basis points running)			
>	<=	>	<=	>	<=
				175	350
			175	350	
0Y (0 days)	2Y (746 days)			320	140
2Y (746 days)	4Y (1,477 days)			200	82
4Y (1,477 days)	6Y (2,207 days)			110	32
6Y (2,207 days)	8Y 6M (3,120 days)			110	20
8Y 6M (3,120 days)	12Y 6M (4,581 days)			130	26
12Y 6M (4,581 days)				46	63
					41

## 4. Who may participate in Block Trades?

To participate in a Block Trade, each party must be an Eligible Contract Participant (“ECP”) as defined in Section 1a of the Commodity Exchange Act. Per the ICE Swap Trade Rulebook, Participants and Customers must be ECPs and may therefore participate in Block Trades.

**5. Are there any Price restrictions for Block Trades?**

Block Trades must be executed at a Price that is fair and reasonable in light of the size of the Block Trade, the price and size of other Transactions in the same Contract on the SEF at the relevant time, the price and size of Transactions in other relevant markets, and the circumstances of the markets and/or the Participants or Customers that are party to the Block Trade.

**6. Can any Transaction which exceeds the Appropriate Minimum Block Size be executed as a Block Trade?**

Yes, provided that the Transaction has been designated as a Block Trade and complies with all other applicable Block Trade requirements.

**7. What recordkeeping and audit trail requirements are attendant to a Block Trade?**

The recordkeeping and audit trail requirements associated with a Block Trade are identical to the requirements associated with any other Transaction.

**8. What are the Trading Hours for Block Trades?**

Block Trades for all Contracts may be arranged at any time.

**9. How are Block Trades executed and submitted to the SEF?**

Parties to a Block Trade are required to submit such Transactions to the SEF through the use of either a (i) third-party affirmation platform (e.g. ICE Link), or (ii) graphical user interface provided by ICE Data, LP (a/k/a the Creditex GUI) (collectively, “**IST’s Off-Facility Block Trade Workflow**”). IST’s Off-Facility Block Trade Workflow allows parties to agree and affirm the price, size and other relevant terms of a Block Trade. Once the proposed Block Trade is affirmed by the parties, a Clearing Member designated by each party is then required to utilize IST’s Off-Facility Block Trade Workflow to perform the required credit/limit check of the proposed Block Trade prior to its execution and submission to the SEF for reporting.

**10. How long after arrangement of the Transaction do the parties have to report the Transaction to the SEF?**

Block Trades must be affirmed (if required) and delivered to the SEF within ten (10) minutes of being arranged in accordance with Rule 701(c). For the purpose of this Question 10 only, a Block Trade is deemed “arranged” at such time that the parties have agreed to the Price, size and other relevant terms of the Contract that is the subject of the Block Trade.

**11. What fees are associated with Block Trades?**

Block Trade fees are reflected in the SEF Fee Schedule provided to Market Participants pursuant to Rule 310.

**12. Do Block Trades between Affiliates constitute a wash trade?**

Pursuant to Rule 701(j), Block Trades between Affiliates are not considered a wash trade provided that each party has a separate and independent legal bona fide business purpose for entering into the transaction and each party's decision to enter into the Block Trade was made by a separate and independent decision maker. If a Block Trade does not meet the requirements of Rule 701(j), the Block Trade may constitute a wash trade under Rule 502.

**13. If a Transaction does not meet the Appropriate Minimum Block Size requirement, what other execution alternatives does ICE offer for Contracts?**

Trading via the Central Limit Order Book ("CLOB") is available for any listed Contract in any size of Order.

For more information on ICE Swap Trade's alternative execution offerings, please contact ICE Swap Trade.