



April 14, 2023

Christopher J. Kirkpatrick  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

Re: Cboe Futures Exchange, LLC Rule Certification  
Submission Number CFE-2023-005

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Regulation 40.6(a) promulgated by the Commodity Futures Trading Commission (“CFTC” or “Commission”) under the Act, Cboe Futures Exchange, LLC (“CFE” or “Exchange”) hereby submits a CFE rule amendment (“Amendment”) to streamline the process to report an Exchange of Contract for Related Position (“ECRP”) transaction or Block Trade when both parties to the transaction are utilizing the same Authorized Reporter to report the transaction to the Exchange. Exhibit 1 to this submission sets forth the rule changes included in the Amendment. The Amendment will become effective on or after April 28, 2023, on a date to be announced by the Exchange through the issuance of an Exchange notice.

CFE Rule 414 (Exchange of Contract for Related Position) includes provisions that govern the execution of ECRP transactions in CFE products, and CFE Rule 415 (Block Trades) includes provisions that govern the execution of Block Trades in CFE products. Rule 414(i) and Rule 415(f) require each CFE Trading Privilege Holder (“TPH”) that desires to execute ECRP transactions and Block Trades in CFE products to designate at least one Authorized Reporter that is pre-authorized by a CFE Clearing Member to report ECRP transactions and Block Trades to the Exchange on behalf of the TPH.

Rule 414(l) and Rule 415(i) describe the process that Authorized Reporters must use to notify the Exchange of ECRP transactions and Block Trades. The current notification process includes three steps. First, the Authorized Reporter that is the initiator of a notification of an ECRP transaction or Block Trade enters information regarding the transaction into the CFE System. Second, the Authorized Reporter that is the initiator of the notification of the ECRP transaction or Block Trade provides a reference ID generated for the transaction by the CFE System to the Authorized Reporter for the contra side of the transaction. Third, the Authorized Reporter for the contra side of the ECRP transaction or Block Trade accepts the notification to the Exchange of the transaction as entered by the initiating Authorized Reporter and enters contra side information for the transaction.

As a result, an Authorized Reporter that is reporting an ECRP transaction or Block Trade to the Exchange on behalf of both parties to the transaction must go through these three steps in order to report the transaction to the Exchange. In practice, this means that the Authorized Reporter must enter information for one side of the transaction on one screen within a Block/ECRP reporting tool that is a

component of the CFE System, receive an e-mail with a reference ID for the transaction generated by the CFE System, and then use the reference ID to separately enter information for the other side of the transaction on another screen within the Block/ECRP reporting tool.

CFE is amending Rule 414(l) and Rule 415(i) to allow an Authorized Reporter that is reporting an ECRP transaction or Block Trade to the Exchange on behalf of both parties to the transaction to report the transaction in one step. In practice, this will mean that the Authorized Reporter may enter at one time all of the required information for both sides of the transaction on one screen within the Block/ECRP reporting tool. The Authorized Reporter will no longer need to receive an e-mail with a reference ID for the transaction or to go to another screen within the Block/ECRP reporting tool to enter the information for the contra side of the transaction. The Amendment does not change the information that is required to be reported to the Exchange relating to ECRP transactions and Block Trades.

The Amendment revises Rule 414 and Rule 415 in the following manner in order to allow an Authorized Reporter that is reporting an ECRP transaction or Block Trade to the Exchange on behalf of both parties to the transaction to do so in one step.

The Amendment splits both Rule 414(l) and Rule 415(i) into two primary subsections. The first subsection in both new Rule 414(l)(i) and new Rule 415(i)(i) describes the current reporting process that will continue to apply when the parties to an ECRP transaction or Block Trade are using different Authorized Reporters to report the transaction to the Exchange. The second subsection in both new Rule 414(l)(ii) and new Rule 415(i)(ii) provides that if the parties to an ECRP transaction or Block Trade are each utilizing the same Authorized Reporter to notify the Exchange of the terms the transaction, the Authorized Reporter is able to enter all of the required information regarding both sides of the transaction into the CFE System and to fully report the transaction to the Exchange.

Similarly, the Amendment revises Rule 414(m) and Rule 415(j) to provide for two alternative ways in which an ECRP transaction or Block Trade shall be deemed to have been fully reported to the Exchange for timing purposes in connection with measuring adherence to permissible reporting period and reporting deadline provisions within Rule 414 and Rule 415. New Rule 414(m)(i) and new Rule 415(j)(i) retain the current provision that an ECRP transaction or Block Trade shall be deemed to have been fully reported to the Exchange when the full report of the transaction has been received by the CFE System matching engine following notification to the CFE System of required information relating to the transaction by the initiating Authorized Reporter and acceptance and notification to the CFE System of required information relating to the transaction by the contra side Authorized Reporter. New Rule 414(m)(ii) and new Rule 415(j)(ii) provide that an ECRP transaction or Block Trade shall be deemed to have been fully reported to the Exchange when the full report of the transaction has been received by the CFE System matching engine following notification to the CFE System of required information relating to the transaction by a single Authorized Reporter for both parties to the transaction.

The Amendment also includes some non-substantive wording and organizational changes to Rule 414(l), Rule 414(m), Rule 415(i), and Rule 415(j).

CFE believes that the Amendment is consistent with the Designated Contract Market (“DCM”) Core Principles under Section 5 of the Act. In particular, CFE believes that the Amendment is consistent with: (i) DCM Core Principle 2 (Compliance with Rules) in that the Amendment contributes to facilitating compliance with CFE rules by making it easier for Authorized Reporters to provide information to the Exchange regarding ECRP transactions and Block Trades when an Authorized Reporter is reporting an ECRP transaction or Block Trade on behalf of both parties to the transaction; (ii) DCM Core Principle 7 (Availability of General Information) because the Amendment describes in

CFE's rules the reporting process for the submission of required information regarding an ECRP transaction or Block Trade when an Authorized Reporter is reporting the transaction to the Exchange on behalf of both parties to the transaction; (iii) DCM Core Principle 9 (Execution of Transactions) in that the Amendment improves the functioning of the reporting mechanism for ECRP transactions and Block Trades and thus CFE's market by making the process to report ECRP transactions and Block Trades more efficient when an Authorized Reporter is reporting an ECRP transaction or Block Trade on behalf of both parties to the transaction; and (iv) DCM Core Principle 10 (Trade Information) because the Amendment facilitates the collection of trade information that CFE may utilize in reviewing whether ECRP transactions and Block Trades comply with CFE rules.

CFE believes that the impact of the Amendment will be beneficial to the public and market participants. CFE is not aware of any substantive opposing views to the Amendment. CFE hereby certifies that the Amendment complies with the Act and the regulations thereunder. CFE further certifies that CFE has posted a notice of pending certification with the Commission and a copy of this submission on CFE's website ([http://www.cboe.com/us/futures/regulation/rule\\_filings/cfe/](http://www.cboe.com/us/futures/regulation/rule_filings/cfe/)) concurrent with the filing of this submission with the Commission.

Questions regarding this submission may be directed to Arthur Reinstein at (312) 786-7570 and Shane Wilkerson at (484) 798-9350. Please reference our submission number CFE-2023-005 in any related correspondence.

Cboe Futures Exchange, LLC

/s/ Laura Fuson

By: Laura Fuson  
Managing Director

## EXHIBIT A

The Amendment, marked to show additions in underlined text and deletions in ~~stricken~~ text, consists of the following:

### Cboe Futures Exchange, LLC Rules

\* \* \* \* \*

#### 414. Exchange of Contract for Related Position

(a) - (k) No changes.

(l) Authorized Reporters shall provide notification to the Exchange of Exchange of Contract for Related Position transactions by reporting them to the CFE System in a form and manner prescribed by the Exchange. The CFE System includes a mechanism, in a form and manner provided by the Exchange, for Authorized Reporters to enter required information regarding an Exchange of Contract for Related Position transactions as further described below.

(i) If the parties to an Exchange of Contract for Related Position transaction are each utilizing a different Authorized Reporter to notify the Exchange of the terms of the transaction:

(A) ~~(i) — the~~ The Authorized Reporter that is the initiator of a the notification of an Exchange of Contract for Related Position transaction is able to enter information into the CFE System regarding the transaction, ~~and~~

(B) ~~(ii) — the~~ The Authorized Reporter for the contra side of the transaction is able to accept within the CFE System the notification to the Exchange of the transaction as entered by the initiating Authorized Reporter and to enter contra side information for the transaction into the CFE System.

(C) The Authorized Reporter that is the initiator of a the notification of ~~an~~ the Exchange of Contract for Related Position transaction may not cancel or revise the notification after it has been entered into the CFE System while it awaits acceptance by the Authorized Reporter for the contra side of the transaction.

(D) The Authorized Reporter that is the initiator of a the notification of ~~an~~ the Exchange of Contract for Related Position transaction must enter the required information for the transaction into the CFE System and provide the reference ID generated by the CFE System to the Authorized Reporter for the contra side of the transaction promptly enough to allow a reasonable amount of time for the contra side Authorized Reporter to accept the notification to the Exchange of the transaction as entered by the initiating Authorized Reporter and enter contra side information for the transaction within a Permissible Reporting Period by no later than the Reporting Deadline.

(ii) If the parties to an Exchange of Contract for Related Position transaction are each utilizing the same Authorized Reporter to notify the Exchange of

the terms the Exchange of Contract for Related Position transaction, the Authorized Reporter is able to enter all of the required information regarding both sides of the transaction into the CFE System and to fully report the transaction to the Exchange.

An Exchange of Contract for Related Position transaction may not be changed or canceled after it has been fully reported to the Exchange, except to the extent that the Contract leg(s) of the transaction may be busted by the Trade Desk in accordance with Policy and Procedure III.

(m) For timing purposes in connection with measuring adherence to Permissible Reporting Periods and the Reporting Deadline, an Exchange of Contract for Related Position transaction shall be deemed to have been fully reported to the Exchange when the full report of the transaction has been received by the CFE System matching engine following either:

(i) notification to the CFE System of required information relating to the transaction by the initiating Authorized Reporter and acceptance and notification to the CFE System of required information relating to the transaction by the contra side Authorized Reporter; or

(ii) notification to the CFE System of required information relating to the transaction by a single Authorized Reporter for both parties to the transaction.

(n) - (r) No changes.

#### **415. Block Trades**

(a) - (h) No changes.

(i) Authorized Reporters shall provide notification to the Exchange of Block Trades by reporting them to the CFE System in a form and manner prescribed by the Exchange. The CFE System includes a mechanism, in a form and manner provided by the Exchange, for Authorized Reporters to enter required information regarding a Block Trade as further described below.

(i) If the parties to a Block Trade are each utilizing a different Authorized Reporter to notify the Exchange of the terms of the Block Trade:

(A) ~~(i) the~~ The Authorized Reporter that is the initiator of a the notification of a the Block Trade is able to enter information into the CFE System regarding the transaction; ~~and~~

(B) ~~(ii) the~~ The Authorized Reporter for the contra side of the Block Trade is able to accept within the CFE System the notification to the Exchange of the transaction as entered by the initiating Authorized Reporter and to enter contra side information for the transaction into the CFE System.

(C) The Authorized Reporter that is the initiator of a the notification of a the Block Trade may not cancel or revise the notification after it has been entered into the CFE System while it awaits acceptance by the Authorized Reporter for the contra side of the transaction.

(D) The Authorized Reporter that is the initiator of a the notification of a the Block Trade must enter the required information for the

transaction into the CFE System and provide the reference ID generated by the CFE System to the Authorized Reporter for the contra side of the transaction promptly enough to allow a reasonable amount of time for the contra side Authorized Reporter to accept the notification to the Exchange of the transaction as entered by the initiating Authorized Reporter and enter contra side information for the transaction within a Permissible Reporting Period by no later than the Reporting Deadline.

(ii) If the parties to a Block Trade are each utilizing the same Authorized Reporter to notify the Exchange of the terms of the Block Trade, the Authorized Reporter is able to enter all of the required information regarding both sides of the Block Trade into the CFE System and to fully report the Block Trade to the Exchange.

A Block Trade may not be changed or canceled after it has been fully reported to the Exchange, except to the extent that the transaction may be busted by the Trade Desk in accordance with Policy and Procedure III.

(j) For timing purposes in connection with measuring adherence to Permissible Reporting Periods and the Reporting Deadline, a Block Trade shall be deemed to have been fully reported to the Exchange when the full report of the transaction has been received by the CFE System matching engine following either:

(i) notification to the CFE System of required information relating to the transaction by the an initiating Authorized Reporter and acceptance and notification to the CFE System of required information relating to the transaction by the contra side Authorized Reporter; or

(ii) notification to the CFE System of required information relating to the transaction by a single Authorized Reporter for both parties to the transaction.

(k) - (s) No changes.

\* \* \* \* \*