



AMSTERDAM ATLANTA CALGARY CHICAGO HOUSTON LONDON NEW YORK SINGAPORE WINNIPEG

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**BY ELECTRONIC TRANSMISSION**

Submission No. 20-124  
November 12, 2020

Mr. Christopher J. Kirkpatrick  
Secretary of the Commission  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

**Re: Amendments the Block Trade FAQ--  
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6(a)**

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the "Act") and Commodity Futures Trading Commission ("Commission") Regulation 40.6(a), ICE Futures U.S., Inc. ("IFUS" or "Exchange") self-certifies the amendments to the Exchange's Block Trading FAQ ("FAQ") set forth in Exhibit A. The amendments to Question 8 and 10 clarify the means through which a block trade may be reported to the Exchange.

A block trade is a permissible type of off-exchange, privately negotiated transaction which is executed outside of the central limit order book and then reported to the Exchange within a pre-set period of time. Question 8 of the FAQ currently states that a block trade is reported to the Exchange using a technology application known as ICE Block.

The amendments to Question 8 provide that block trades in approved products may also be reported directly to the Exchange using third-party applications which have been approved by the Exchange as conforming to Exchange requirements. Separately, the amendments to Question 8 also relocate from Question 10 a provision relating to the indirect reporting of block trades to the Exchange via email. In addition to relocating this provision to a more appropriate section of the FAQ, the Exchange has added language that expressly identifies the information required to be submitted in the email reporting a block trade, such as buyer and seller names, IDs and contact information, the product, the quantity, the account number and so forth. Finally, the amendments make clear that the audit trail and recordkeeping obligations associated with a block trade are identical to the requirements associated with any other futures or options transaction, no matter which mode of reporting is utilized.

The Exchange certifies that the amendments to the FAQ, which will become effective on November 30, 2020, comply with the requirements of the Act and the CFTC Regulations promulgated thereunder. Specifically, as described above, the amendments comply with Core Principle 9 and CFTC Regulation 1.38, which allow DCMs to authorize transactions, such as block trades, that are executed away from the DCM's centralized marketplace. Consistent with Core Principle 7 (Availability of General Information), the amendments identify the methods which can be used to report block trades and the information that must be reported to the Exchange. The Exchange's compliance program includes regular review of block trades



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for conformance with the standards in the FAQ as required by Core Principle 2, and violations of the **Exchange's block trade procedure are subject to disciplinary action, as required by Core Principle 13.** The Exchange further certifies that concurrent with this filing a copy of this submission was posted on the Exchange's website, which may be accessed at (<https://www.theice.com/futures-us/regulation#Rule-Filings>).

If you have any questions or need further information, please contact me at 212-748-4021 or at [jason.fusco@theice.com](mailto:jason.fusco@theice.com).

Sincerely,

A handwritten signature in black ink that reads "Jason V. Fusco". The signature is written in a cursive, flowing style.

Jason V. Fusco  
Assistant General Counsel  
Market Regulation



## EXHIBIT A

[Additions are underlined and deletions have been struck through]

### BLOCK TRADE FREQUENTLY ASKED QUESTIONS

#### 8. How are block trades reported?

A block trade [~~is~~] may be reported directly using Exchange approved electronic functionality, such as the ICE Block application. A participant or an authorized submitter (i.e. broker or clearing member) unable to report a block trade directly must, within the time limits prescribed in Question 9, submit complete block trade details as described below to ICE Futures U.S., by email at [futures-blocktrades@theice.com](mailto:futures-blocktrades@theice.com). The time stamp the email was sent with all the applicable information will constitute the submitted time to the Exchange.

The information below should, at minimum, be provided in the initial email to ICE Operations:

<u>Trade Date</u>	<u>Buying Firm</u>
<u>Execution Time (the time the deal was consummated)</u>	<u>Buy Trader Name and ID</u>
<u>Quantity</u>	<u>Contact details</u>
<u>Total quantity</u>	<u>Email</u>
<u>Strip(s)</u>	<u>Phone #</u>
<u>Product Code(s)</u>	<u>Clearing Account #</u>
<u>Product(s)</u>	<u>Selling Firm</u>
<u>Price</u>	<u>Sell Trader Name and ID</u>
<u>Strike(s)</u>	<u>Contact details</u>
<u>Put or Call</u>	<u>Email</u>
<u>BIC Information (if applicable)</u>	<u>Phone #</u>
	<u>Clearing Account #</u>

Both the clearing member for the buyer and the clearing member for the seller must accept or challenge the transaction within 30 minutes of the trade being submitted to ICE Futures U.S. No matter how the block trade is submitted to the Exchange, the recordkeeping and audit trail requirements associated with a block trade are identical to the requirements associated with any other futures or options transaction.

#### 9. What are the reporting requirements for block trades?

Block trades in the following contracts must be reported no later than 15 minutes of execution:

- Energy Futures and Options\*;
- Metals Futures and Options\*;
- Currency Futures and Options\*\*;
- Credit Index Futures Contracts\*;
- NYSE Arca Gold Miners Index Futures\*; and
- MSCI Futures and NYSE FANG+ Index (except Block at Index Close Trades\*\*).

For Energy Futures and Options Contracts, Metals Futures and Options Contracts, Currency Futures Contracts, Credit Index Futures Contracts, NYSE Arca Gold Miners Index Futures



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Contracts, MSCI Futures Contracts and BICs on MSCI Futures Contracts, fifteen (15) minutes from the time of execution.

For all other products, five (5) minutes from the time of execution for single leg trades and 10 minutes from time of execution for block trades consisting of two or more legs.

For block trades executed outside of normal trading hours, the block trade must be reported to the Exchange no later than 5 minutes prior to the open of the next trading session for the particular block eligible contract

\*For each of these products and notwithstanding the foregoing, all block trades executed during the last ten minutes of the trading day must be reported to the Exchange no later than five minutes after the close of trading.

\*\*Currency Futures and Options include Digital Currency Contracts for purposes of reporting requirements.

\*\*\*In the case of Block at Index Close (BIC) trades on MSCI Index Futures Contracts and NYSE FANG+ Index Futures, (see Question 23 for additional information), there are separate time considerations given the time that the index value is published.

## 10. What are the procedures for entering a block trade in ICE Block?

In order to submit a block trade directly into ICE Block, the party entering the transaction must have access to ICE Block or WebICE and must have received permission via the ICE Block application to enter the trades for the accounts involved in the block trade from the Clearing Member(s) carrying those accounts (see Question 12 below). In the event that a block trade is executed for an account or accounts for which the appropriate ICE Block permissioning has not been completed by the clearing member, such block trade must be submitted by notifying ICE Futures U.S. [~~by email at [futures\\_blocktrades@theice.com](mailto:futures_blocktrades@theice.com)~~] as described in Question 8 above.

### ~~[Direct Entry in ICE Block]~~

The party submitting the block trade must enter complete block trade details into the ICE Block application within [~~the~~] the time provided in Question 9, as follows:

~~[For Energy Futures and Options Contracts, Metals Futures and Options Contracts, Currency Futures Contracts, Credit Index Futures Contracts, NYSE Arca Gold Miners Index Futures Contracts, MSCI Futures Contracts and BICs on MSCI Futures Contracts, fifteen (15) minutes from the time of execution.~~

~~For all other products, five (5) minutes from the time of execution for single leg trades and 10 minutes from time of execution for block trades consisting of two or more legs.~~

~~[The party submitting the block trade should enter complete block trade details as follows:]~~

- a. Single sided-- where the seller/buyer/broker/clearing member submits a trade that is alleged to the buyer/seller. The buyer/seller must confirm the alleged block within the aforementioned reporting time period.
- b. Two sided-- where the seller/buyer broker/clearing member submits and confirms for both the buy and sell side of the block. The selling/buying clearing



member/authorized submitter will need to be permissioned to accept trades on behalf of the buying/selling clearing member. Two sided entry of blocks in ICE Block will automatically clear and be downloaded to PTMS.

In the case of block trades involving an arbitrage transaction (see Question 20 for additional information), the submitter must also report the arbitrage premium and the details (Month/Yr) for the contract month involved in the ICE Futures Europe leg by entering that information in the "Transaction Details" text field on the block trade submission screen in ICE Block.

In the case of Block at Index Close (BIC) trades on MSCI Futures Contracts, (see Question 23 for additional information), the submitter must also report the agreed upon basis and the date and time at which the basis was agreed by entering that information in the "Transaction Details" text field on the block trade submission screen in the ICE Block application.

### **[Indirect Entry in ICE Block**

~~**Step 1** - The party submitting the block trade must submit complete block trade details to ICE Futures U.S., by email at [futures-blocktrades@theice.com](mailto:futures-blocktrades@theice.com) within 15 minutes from the trade execution for all block trades involving Energy futures and options, Metals Futures and Options Contracts, Currency Futures Contracts, NYSE Arca Gold Miners Index Futures Contracts and MSCI futures contracts or five (5) minutes from the time of execution for single leg trades and 10 minutes from time of execution for block trades consisting of two or more legs for all other contracts.~~

~~**Step 2** - ICE Futures US will enter the block transaction into ICE Block.~~

~~**Step 3** - Both the buying clearing member and the selling clearing member must accept or challenge the transaction within 30 minutes of the trade being reported to ICE Futures U.S.]~~