1. **What is a block trade?**
   A block trade is a privately negotiated futures, options or combination transaction that is permitted to be executed apart from the public auction market. All block trades are subject to the conditions set forth in NYMEX and COMEX Rule 526 and the information and guidance set forth in the most recent Market Regulation Advisory Notice concerning block trades as posted on the CME Group website.

   **Benefits of Block Trades**
   - Convenience of privately negotiating a trade with a selected eligible counterparty
   - Ability to execute a large transaction at a fair and reasonable single price
   - Security of a trade cleared by CME Clearing
   - Designed to meet institutional trading needs

2. **What qualifications are necessary to use block trades?**
   Each party to a block trade must be an Eligible Contract Participant as that term is defined in Section 1a (18) of the Commodity Exchange Act. Eligible Contract Participants generally include exchange members and member firms, broker/dealers, government entities, pension funds, commodity pools, corporations, investment companies, insurance companies, depository institutions and high net-worth individuals. Commodity trading advisors and investment advisers who are registered or exempt from registration, and foreign persons performing a similar role and subject as such to foreign regulation, may participate in block transactions provided they have total assets under management exceeding $25 million and the block trade is suitable for their customers.

   A customer order may be executed by means of a block trade only if the customer has specified that the order be executed as a block trade.

   Orders may not be bunched to meet the minimum block quantity thresholds.

3. **How do I report a block trade?**
   - Electronically via the CME Direct platform
   - Electronically via CME ClearPort screen
   - By phone or email to the CME Global Command Center in the U.S. at +1 800 438 8616, in Europe at +44 800 898 013, or in Asia at +65 6532 5010 or email FacDesk@cmegroup.com
   - On the trading floor by reporting to Master Pulpit
4. **Where can I find the block trade minimum thresholds?**
   NYMEX and COMEX block levels can be found [here](#). All other CME Group block levels can be found [here](#).

5. **What is the block trade minimum threshold in an Intra-Commodity Futures-Only or Options-Only spread or combination?**
   Intra-Commodity Futures-Only Spreads and Combinations and Intra-Commodity Options-Only Spreads and Combinations may be executed as block trades provided that the sum of the quantities of the legs of the transaction meets the minimum block quantity threshold.

   For example, a 10 lot NG (Natural Gas Futures) Seasonal Strip transaction (Apr13 through Oct13) would meet the minimum threshold because the sum of the individual legs of the strip (7 months x 10 lots = 70) exceeds the minimum threshold (NG is 50) for the underlying futures.

   By way of another example, a 25 lot NG (Natural Gas Futures) Dec12/Jan13 calendar spread would meet the minimum threshold because the sum of the individual legs of the spread (25 + 25 = 50) meets the minimum threshold (50) for the underlying futures.

6. **What is the block trade minimum threshold in an Inter-Commodity Futures-Only or Options-Only spread or combination?**
   Inter-Commodity Futures-Only Spreads and Combinations and Inter-Commodity Options-Only Spreads and Combinations may be executed as block trades provided that the sum of the legs of the spread or combination transaction meets the larger of the threshold requirements for the underlying products.

   For example, a 25 lot inter-commodity Dec12 CL (WTI Crude) Futures versus Dec12 BZ (Brent Crude) Futures spread would meet the minimum threshold because the sum of the legs (50) meets the larger of the threshold requirements (CL is 50, BZ is 25) for the underlying futures.

7. **What is the block trade minimum threshold in an Option/Futures spread?**
   Option/Futures spread trades may be executed as block trades provided that the options component of the spread meets the minimum quantity threshold for the outright option or option combination and the quantity of futures executed is consistent with the delta of the options component of the spread.

   For example, a 100 lot Dec12 LO (WTI Crude Option) $95.00 call option covered with 40 Dec12 CL (WTI Crude) Futures at $92.25 would meet the minimum threshold because a) the option meets the minimum threshold applicable to LO and b) the futures hedge is consistent with the delta of this particular option, even though the futures component does not meet the minimum requirement for an outright CL futures block threshold.

8. **What are the time requirements for price reporting block trades?**
   Block trades in the following list of products must be price reported to the exchange by the seller within five minutes of the transaction.

   - Brent Crude Oil Penultimate Financial futures (BB)
   - Brent Crude Oil Last Day Financial futures (BZ)
   - Light Sweet Crude Oil futures and options (CL)
   - New York Harbor ULSD Heating Oil futures and options (HO)
   - Henry Hub Natural Gas futures and options (NG)
• RBOB Gasoline futures and options (RB)
• Gulf Coast Sour Crude Oil futures (MB)
• NYMEX Cocoa, Coffee, Cotton and No. 11 Sugar futures (CJ, KT, TT and YO)
• Gold futures (GC)
• Silver futures (SI)
• Copper futures (HG)

Block trades in all other block-eligible products, including all NYMEX and COMEX options, must be reported to the exchange by the seller within fifteen minutes of the transaction.

If a block transaction involves a spread or combination that includes any leg subject to a 15 minute reporting requirement, the reporting requirement for the transaction will be 15 minutes.

9. **What happens if a trade is rejected for risk parameters and therefore does not meet the reporting timeframe?**

Parties will not be sanctioned for block reporting infractions deemed to arise from factors beyond the reporting party’s control (e.g. the block trade fails the CME ClearPort automated credit check).

10. **Who has the reporting obligation in a block trade?**

In a principal-to-principal transactions, the SELLER has the price reporting obligation. In a brokered transaction, the BROKER has the obligation.

11. **What information is required when reporting block trades?**

When reporting a block trade, the following information will be required:

• Contract, contract month and contract year for futures, and, additionally for options, strike price and put or call designation;
• Quantity of the trade or, for spreads and combinations, the quantity of each leg of the trade;
• Price of the trade or, for spreads and combinations, the price of each leg of the trade;
• Buyer’s clearing firm and seller’s clearing firm;
• Name and phone number of the representative reporting the trade (for floor reporting only); and
• Execution time (in Eastern Time) of the trade (i.e. the time at which the trade was consummated)

12. **Are block trades between affiliated parties permitted?**

Block trades between the accounts of affiliated parties are permitted provided that 1) the block trade is executed at a fair and reasonable price; 2) each party has a legal and independent bona fide business purpose for engaging in the trade; and 3) each party’s decision to enter into the block trade is made by an independent decision-maker. In the absence of satisfying the requirements above, the transaction may constitute an illegal wash trade prohibited by Rule 534 (Wash Trades Prohibited).
13. **What registrations are required for parties soliciting futures transactions via block trades?**

Brokers soliciting futures or options on futures transactions from U.S. persons, including block trades, need to have appropriate CFTC registration which is handled by the National Futures Association. Registration is required with respect to the soliciting of any party to execute a futures or options on futures transaction, including an EFRP transaction and a block trade. Appropriate registration categories may include Introducing Broker (IB), Futures Commission Merchant (FCM), or an Associated Person (AP) of either of the two prior categories.

For more information on industry registration requirements for solicitors, please see the [NFA website](https://www.nfa.com).

Solicitation of non-U.S. persons for transacting in the products of the CME Group Exchanges should be reviewed with the applicable local regulator. NFA registration is not required.

14. **Does CME Group monitor the U.S. registration status of brokers before accepting trades?**

No, but any unregistered broker soliciting futures transactions in CME Group products would be in violation of Exchange and CFTC rules and be subject to investigation and potential disciplinary action, as appropriate. As a matter of good business practice, customers should perform due diligence on any brokers before transacting with them.

15. **Where can I find market data concerning block trades?**

- CME Direct Block Ticker
- CME Group Market Data Platform
- CME E-quotes
- CME DataMine
- CMEGroup.com

For more information on market data services click [here](https://www.cmegroup.com).

16. **If a transaction gets allocated to several accounts, and some allocations are below the block minimum, what rules apply?**

If a Commodity Trading Advisor (CTA) or Investment Advisor (IA) (or foreign person performing a similar role) meets the requirements set forth in Sections I. or J. or Rule 526 and determines that a block trade is appropriate for their customers, they may execute a block with a single counterparty and then allocate the quantity of the block trade in any amount to customer accounts under their control. For parties other than CTAs or IAs, orders for multiple accounts may not be aggregated to meet block thresholds.

Under certain circumstances, use of holding accounts is allowed for CTAs/IAs. Please contact the CME Global Command Center in the U.S. at +1 800 438 8616, in Europe at +44 800 898 013, or in Asia at +65 6532 5010 or email clearport@cmegroup.com for more information on using and setting up holding accounts.
17. **What are the rules around disclosure of non-public information concerning block trades?**

Parties involved in the solicitation or negotiation of a block trade may not disclose the details of those communications to any other party for any purpose other than to facilitate the execution of the block trade. Parties privy to nonpublic information regarding a consummated block trade may not disclose such information to any other party prior to the public report of the block trade by the Exchange. A broker negotiating a block trade on behalf of a customer may disclose the identity of the customer to potential counterparties, including the counterparty with which the block trade is consummated, only with the permission of the customer.

Pre-hedging or anticipatory hedging of any portion of a block trade in the same product or a closely-related product based upon a solicitation to participate in a block trade is not permitted. A closely related product is a product that is highly correlated to, serves as a substitute for, or is the functional economic equivalent of the product being traded as a block.

Counterparties to a block trade are permitted to initiate trades to hedge or offset the risk associated with the block trade following the consummation of the block trade, including during the period preceding the public report of the block trade by the Exchange.

18. **What if I am solicited to take part in a block trade, but don’t participate. I have no way of knowing if or when the trade was executed or submitted but I am considered party to nonpublic information. How should I proceed?**

Except as provided above, parties privy to nonpublic information attendant to a block trade are prohibited from trading in the same product or a closely-related product for the purpose of taking advantage of such information prior to the public report of the block trade by the Exchange. This prohibition is not intended to preclude such parties from continuing to transact in the marketplace in the context of their normal business; rather, it precludes parties in possession of actionable nonpublic information regarding an imminent block trade or report of a block trade from specifically using such information to their advantage. Information regarding a block trade is considered to be nonpublic until such time that the block trade details have been disseminated to the marketplace by the Exchange or the information can otherwise be demonstrated to have become stale or obsolete.

Parties solicited to provide a two-sided block market are not deemed to be in possession of nonpublic information provided that side of market interest is not disclosed in the context of the solicitation.