



Ex-Pit Functionality

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1. Ex-Pit Transactions

Ex-Pit transactions are pre-arranged transactions between trading parties that occur outside of the regular market. The new Ex-Pit transaction process facilitates market transparency by automating booking and eliminating risk due to untimely transaction reporting. Only one party (i.e., Buyer or Seller) is required to submit the Ex-Pit transaction; it is recommended that the **selling** party submit the transaction to avoid duplication.

CME Globex Ex-Pit transaction functionality supports the following transaction types:

- Block Trade – a privately negotiated futures transaction executed apart from the public market place, either on or off the Exchange trading floor. There are minimum order size requirements that vary according to product and order type, and eligibility for engaging in such trades is strictly regulated.
- Exchange of Futures for Physical (EFP) – a transaction in which one party buys cash market products and sells futures contracts while the opposite party sells the cash market products and buys futures contracts. The prices, quantities, and other terms of the transaction are privately negotiated by the parties involved.
- Exchange Basis Facility (EBF) – an identical practice to EFP but for interest rates.
- Exchange of Futures for Swaps (EFS) – a practice similar to an EFP transaction, used by Exchange market participants as an additional instrument to add flexibility to trading and risk management portfolios. Allows market participants to exchange a futures contract position for a cash-settled position instead of physical commodity. Also gives market participants the ability to liquidate a swap position in a market that may have limited liquidity.
- Exchange for Risk (EFR) – a futures market transaction that provides market participants a way to unwind existing over-the-counter (OTC) positions or to initiate new OTC positions. Similar to an Exchange for Physical (EFP) transaction, except that it involves an exchange of a futures position for an OTC position rather than an exchange for the physical commodity. EFR transactions facilitate an easy, efficient entry or exit from the OTC position.
- OTC (Over-the-Counter) – a transaction made in some context other than on a formal Exchange.

1.1 Ex-Pit Transaction Implementation

The following table summarizes the impact to client systems for Ex-Pit transaction implementation by function and impact.

Table 1.1. Ex-Pit Transaction Implementation Impacts

Functionality	Impacts
New Order Cross (tag 35 - MsgType = s)	<ul style="list-style-type: none"> • New Order Cross message (tag 35 - MsgType = s) to support Ex-Pit transactions. • Both Buy and Sell sides are required. • Ex-Pit transactions submitted with leg data will be rejected. • The CME Globex platform generates two acknowledgment and fill reports for Ex-Pit transactions; one for each side. • Tag 548 - CrossID, tag 549 - CrossType, and tag 961 - Host-CrossID will be sent back in all Execution Reports in response to Ex-Pit transactions. Tag 961 - HostCrossID is not required and not returned on Execution Report - Reject. • The CME Globex platform assigns leg prices and will reject transactions submitted with tag 555 – NoLegs.
Cancel Request	<ul style="list-style-type: none"> • Not supported for Ex-Pit transactions.
Cancel/Replace Request	<ul style="list-style-type: none"> • Not supported for Ex-Pit transactions.
Status Request (tag 35 - MsgType = H)	<ul style="list-style-type: none"> • Uses the Order Status Request (tag 35 – MsgType = H) message. • Supported on both sides of Ex-Pit transactions, but not on the Ex-Pit transaction message itself. • Cross ID submitted in Status request will be ignored. The tag 11 – ClOrdID should be used to identify the queried side. • Status request generates one status response for the specified side.

1.2 Supported Functionality

The transaction types listed above support the following functionality:

- Trade Cancellation — GCC trade bust
- Status Request — since both sides of the transaction will have the same status, the request is performed on one side of the transaction only.
- Complete Fill Notice

Note: Ex-Pit transactions do not support the following functionality: Order Cancellation, Cancel/Replace, and Partial Fill Notice (Ex-pit transactions fill 100 percent or are rejected).

1.3 Buyer and Seller Information

The New Cross Order message (tag 35 - MsgType = s) contains the following information for Ex-Pit transactions:

- Buy side and Sell side.
- Submitting party identification (SessionID + FirmID) as defined in tag 49 - SenderCompID.
- Information for both the Buy and Sell sides.
 - tag 9702 – CTICode
 - tag 204 – CustomerOrFirm
 - tag 1 – Account: account number of the message sender for both sides of the Ex-Pit transaction.
- If the submitting party needs to give-up one or both sides of the transaction, then the Ex-Pit transaction message supports all information for current give-up functionality for orders (tag 9708 - CmmtaGiveUp and tag 9707 - GiveUpFirm).

1.4 Additional Transaction Information

The New Order Cross message (tag 35 - MsgType = s) also contains the following information:

- Tag 549 - CrossType that the CME Globex platform uses to validate the Ex-Pit transaction type.
- User-populated tag 548 - CrossID links Buy and Sell sides (and all legs in the case of a spread) for related Execution Reports.
- Time Values
 - tag 483 - TransBkdTime contains time at which the trade was agreed upon.
 - tag 60 - TransactTime contains the time the transaction is submitted by the client trading system
 - tag 52 - SendingTime (header) contains the time message leaves client gateway.
- Tag 11 - ClOrdID is required for each side of the transaction.

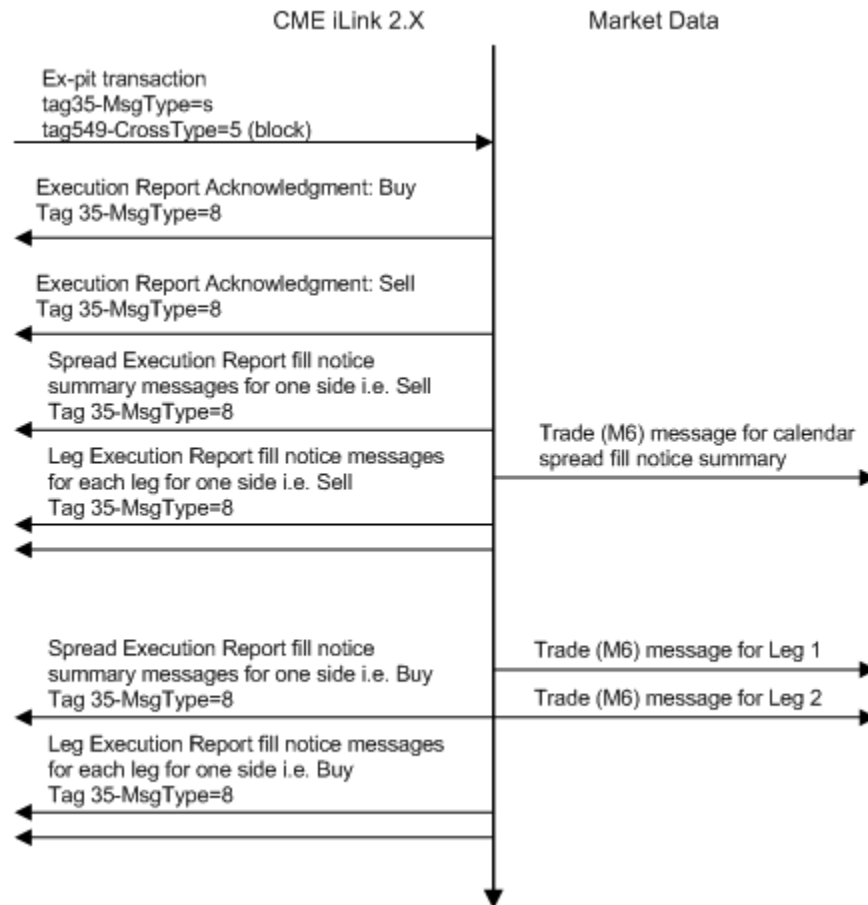
Note: This value must be different for each side and is the customer's responsibility to generate and maintain. Please refer to the *Client Order IDs* section in the [Core Functionality](#) section of the [iLink 2.X SDK](#) for more information.

- Spread and Net Differential Price – the customer must enter the spread contract and net differential price. The CME Globex platform assigns leg prices. If a New Order Cross message is submitted with tag 555-NoLeg, CME Globex will reject it. To submit Ex-Pit transactions with legs, clients must use a common tag 548 - CrossID to link and report multiple Ex-Pit transactions (See “Linked Ex-Pit Transaction Messages” on Page 6.)

1.5 Ex-Pit Transaction Message Sequence

The following diagram shows the message processing sequence for an Ex-Pit transaction for a calendar spread. Execution Reports and fill notices are sent per side (n + 1 per side for fill notices where n = number of legs).

Note: All outbound messages are sent to the submitting party (SessionID + FirmID).



Note: Ex-Pit transactions are reported with the Trade (M6) message only.

Note: The CME Globex platform acknowledges all corresponding legs of Ex-Pit transaction instruments only if the instrument is in the continuous trading state.

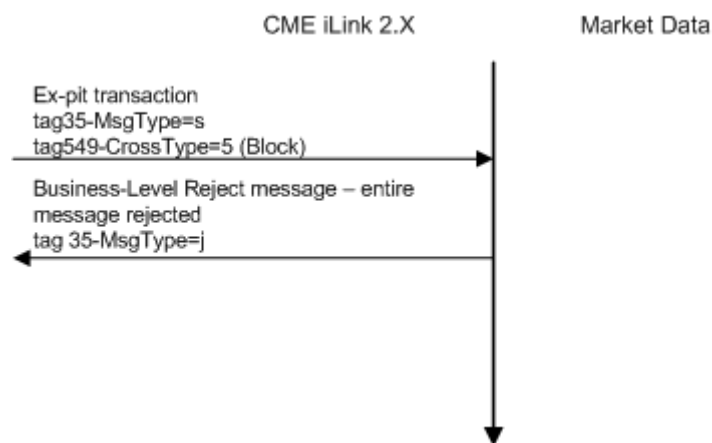
1.5.1 Ex-Pit Transaction - Reject

An Ex-Pit transaction can be rejected in two ways:

- with a single business-level reject message
- or
- with two execution reports, one sent for each side.

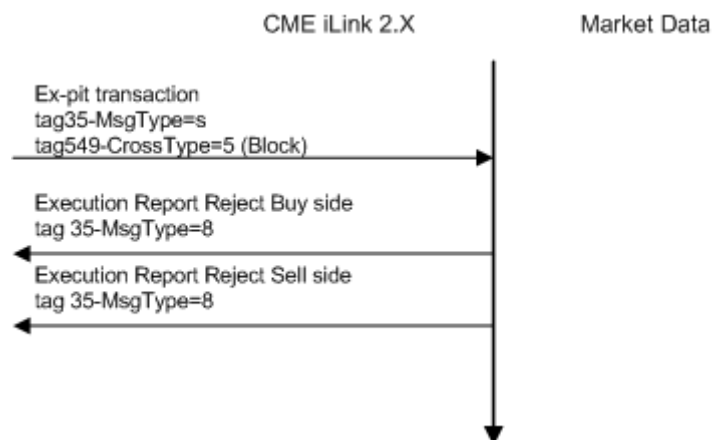
Ex-Pit Transaction – Business-Level Reject

A single business-level reject message is generated with the appropriate value in tag 380 - BusinessRejectReason and reason of reject in tag 58 - Text when an inbound Ex-Pit message fails the CME Globex message validation.



Ex-Pit Transaction – Execution Report Reject

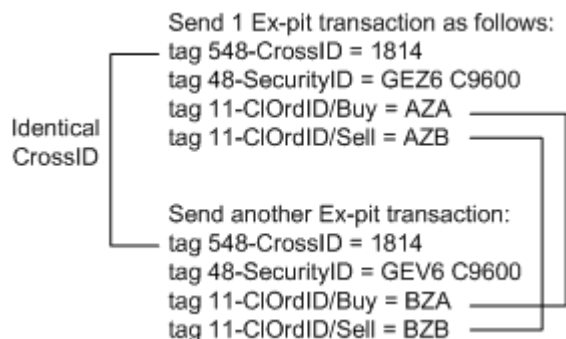
Two Execution Report – Reject messages, one for each side, are generated when an inbound Ex-Pit message fails CME Globex business rules validation.



1.6 Linked Ex-Pit Transaction Messages

Since Ex-Pit transactions allow only one message per contract, for transactions across instruments (for example, a block trade between GEZ6 C9600 and GEV6 C9600), client systems must link Ex-Pit transaction messages by means of tag 548 - CrossID. This entails submitting an Ex-Pit transaction message containing the same value in tag 548 - CrossID for each contract involved in the transaction, but containing unique values in tag 11 - ClOrdID on each side of each Ex-Pit transaction message.

Block trade between GEZ6 C9600 GEV6 C9600



1.7 Outbound Message Structure – from Client to the CME Globex Platform

1.7.1 New Order Cross (tag 35 - MsgType = s)

The CME Globex platform identifies the Ex-Pit transaction message by:

- tag 35 – MsgType = s
- tag 549 – CrossType = 5 (Block), 6 (EFP), 7 (EFS), 8 (EFR), 9 (EBF), 10 (OTC)

1.8 Inbound Message Structure – from the CME Globex Platform to Client

This section describes the new fields in the Execution Report message for Ex-Pit transactions. For the complete Execution Report message specification, please see the [CME iLink 2.X Message Specification](#).

1.8.1 Execution Report

The Execution Report (tag 35 - MsgType = 8) message supports Ex-Pit transactions with the following tags.

Table 1.2. Ex-Pit Transaction - Execution Report

Tag	Name	Comments
548	CrossID	Sent on Execution Report to allow correlation of execution responses to the Ex-Pit transaction.
549	CrossType	The CME Globex platform uses this tag to identify the type of Ex-Pit transaction. This value is also returned on the Execution Report. 5 = Block Trade 6 = EFP 7 = EFS 8 = EFR 9 = EBF 10 = OTC
961	HostCrossID	Unique ID generated at the Cross level.

1.8.2 Business Level Reject (tag 35 - MsgType = j)

In certain cases when an Ex-Pit transaction is submitted with erroneous content or structure, the CME Globex platform rejects the message with a new message type, the Business-Level Reject. In such an instance, a Business-Level Reject message is sent with tag 380 - BusinessRejectReason containing a value from the following table.

Table 1.3. Ex-Pit Transaction - Business Level Reject

Tag	Name	Req	Type	Comments
Header Business-Level Reject (tag 35-MsgType = j)				
45	RefSeqNum	N	Int(43)	Tag 34 - MsgSeqNum of the message being rejected.
372	RefMsgType	Y	String(2)	Tag 35 - MsgType of the message being rejected.
379	BusinessRejectRefID	N	String(10)	Identifier of the message being rejected.
380	BusinessRejectReason	Y*	Int(1)	Code to identify the reason of the rejection: 0 = Other 1 = Unknown ID 2 = Unknown Security 3 = Unsupported Message Type (message type not currently in use) 4 = Application not available 5 = Conditionally Required Field Missing

58	Text	Y*	String(150)	Additional information on the reject reason.
Standard Trailer				

Y: Required by FIX protocol, Y*: Required by CME (not by FIX protocol), N: Not Required

Revision History

Initial Release	Version	Last Update	Author	Description
1/19/07	1.0	N/A	LM	Initial Release
1/19/07	1.1	3/22/07	LM	Corrected innacurate cross-references and links.

NOTE: The cover page was updated to reflect CME Group branding. No technical changes were made.