



CFE Regulatory Circular 26-005

Date: October 7, 2026

Exchanges: CFE

Markets: Futures

To: Trading Privilege Holders

Re: Exchange of Contract for Related Position Transactions

Updates and Replaces CFE Regulatory Circular [RG20-003](#)

Cboe Futures Exchange, LLC (“CFE” or the “Exchange”) is reissuing this circular to highlight the requirements for Exchange of Contract for Related Position (“ECRP”) transactions. This circular is not intended to provide a comprehensive description of all applicable rule provisions relating to ECRP transactions. CFE Trading Privilege Holders (“TPHs”) should refer to [CFE Rule 414](#) and the ECRP transaction provisions in the contract specifications rule chapter for each CFE product for additional detail.

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Required Elements of an ECRP

CFE Rule 414(a) requires that an ECRP transaction contain the following three essential elements:

- (1) a transaction in a Contract¹ that is listed on CFE that is eligible to be executed as an ECRP transaction² and a transaction in a related position or an option on the related position (referred to as the "Related Position");
- (2) an actual transfer of ownership, which must include an ability to perform the ECRP and a transfer of title of the Contract and Related Position upon consummation of the exchange; and
- (3) separate parties, such that the accounts involved on each side of the ECRP have a different beneficial owner or are under separate control, provided that separate profit centers of a futures commission merchant operating under separate control are deemed separate parties for this purpose.

Additionally, CFE Rule 414(d) prohibits ECRP transactions that are contingent upon the execution of another ECRP or related position transaction between the parties where the transactions result in the offset of the related position without the incurrence of market risk that is material in the context of the related position transactions.

Related Positions

CFE Rule 414(b) provides that a Related Position in an ECRP transaction may include, but is not limited to, a security, a derivative, any commodity as that term is defined by the Commodity Exchange Act ("CEA"), or a group or basket of any of the foregoing. The Related Position being exchanged need not be the same as the underlying of the Contract transaction being exchanged, but the Related Position must have a high degree of price correlation to the underlying of the Contract transaction so that the Contract transaction would serve as an appropriate hedge for the Related Position.

Pursuant to CFE Rule 414(b) the Related Position being exchanged may not be a Contract traded on or subject to CFE Rules.

CFE Rule 414(c) requires that the quantity of the Related Position traded in an ECRP transaction must correlate to the quantity represented by the Contract portion of the transaction.

Please note the above provisions regarding Related Positions are subject to the following conditions:

- ***Exchange Traded Products ("ETPs") as Related Positions in ECRP Transactions***
An ETP, including an Exchange Traded Fund ("ETF") or Exchange Traded Note ("ETN"), may be a Related Position in an ECRP transaction provided that the transaction satisfies the requirements of CFE Rule 414, including the requirements in CFE Rule 414(b) regarding Related Positions, and other applicable CFE rules.

¹ All capitalized terms used but not defined herein shall have the meaning ascribed to them in the CFE Rulebook.

² Whether a CFE Contract is eligible to be executed as an ECRP transaction is specified in the contract specifications rule chapter for that product.

- ***Related Positions for Cboe® iBoxx® iShares® \$ High Yield Corporate Bond Index (“IBHY”) Futures or Cboe® iBoxx® iShares® \$ Investment Grade Corporate Bond Index (“IBIG”) Futures***

For any ECRP transaction involving IBHY or IBIG futures, the related position portion of the transaction must be either an exchange-traded fund or a total return swap.

Parties to an ECRP Transaction

Pursuant to CFE Rule 414(c), in every ECRP transaction, one party must be the buyer of (or the holder of the long market exposure associated with) the Related Position and the seller of the corresponding Contract and the other party must be the seller of (or the holder of the short market exposure associated with) the Related Position and the buyer of the corresponding Contract.

Note, a party on one side of an ECRP transaction may either (i) consist of a single party or (ii) collectively consist of affiliated parties where the Related Position and the corresponding Contract are executed for accounts with the same beneficial ownership. Further, each party to an ECRP transaction must satisfy any applicable Commodity Futures Trading Commission requirements regarding eligibility to participate in the transaction.

TPHs Acting as Agents for ECRP Transactions

Only CFE TPHs can be executing parties to an ECRP transaction reported to CFE. Any non-TPH must utilize a TPH eligible to act in an agency capacity to execute an ECRP transaction as agent on behalf of that non-TPH just as a non-TPH would need to use a TPH to execute an order through CFE's trading system. A TPH that acts as a broker for a Customer that is eligible to participate in an ECRP transaction may authorize the Customer to directly negotiate ECRP transactions for which the TPH is the executing party in its agency capacity as broker for that Customer, provided that the other requirements of CFE Rule 414 are satisfied.

Pursuant to CFE Rule 308(c) and (d), non-TPHs that enter into ECRP transactions in CFE products are bound by, and required to comply, with various Exchange Rules, including, but not limited to CFE Rule 414 and the provisions of the contract specification rule chapters for CFE products, to the same extent as a TPH is. Please see CFE Rule 308(d) for a complete list of applicable rules.

ECRP Timing Requirements

CFE Rule 414(e)(i) requires that an agreement to an ECRP transaction may only occur during trading hours, or a queuing period not in connection with a trading halt, for the Contract that comprises the contract leg of the ECRP transaction, when that Contract is not halted or suspended (“Permissible Agreement Period”).

Unless otherwise specified in the rules governing the relevant Contract, Authorized Reporters must fully report ECRP transactions to the Exchange via the [Cboe Titanium U.S. Customer Web Portal](#) or Cboe Titanium U.S. Secure Web API no later than thirty minutes after the transaction is agreed upon (“Reporting Deadline”), as required by CFE Rule 414(e)(ii).

Additionally, CFE Rule 414(e)(iii) requires that ECRP transactions are fully reported to the Exchange during Trading Hours, or a queuing period, for the Contract that comprises the Contract leg of the transaction, when the Contract is not suspended (“Permissible Reporting Period”).³

ECRP Transactions Reporting

Registration of Authorized Reporters

CFE Rule 414(i) requires that each TPH executing an ECRP transaction must have at least one designated individual that is pre-authorized by a Clearing Member to report ECRP transactions on behalf of the TPH (“Authorized Reporter”). To the extent required by Applicable Law, an Authorized Reporter must be registered or otherwise permitted by the appropriate regulatory body or bodies to act in the capacity of an Authorized Reporter and to conduct related activities. If a Clearing Member authorizes an Authorized Reporter to report ECRP transactions on behalf of a TPH, the Clearing Member must also authorize the Authorized Reporter to report Block Trades on behalf of the TPH pursuant to CFE Rule 415.

Authorized Reporters must be registered with the Exchange **before** they may report ECRP transactions on behalf of a TPH. A Clearing Member that authorizes an Authorized Reporter to report ECRP transactions on behalf of a TPH accepts responsibility for all such transactions reported to the Exchange by the Authorized Reporter on behalf of the TPH.

The Authorized Reporter Registration and Guarantee Forms are available in the [CFE Membership Document Library](#) under “Block Trade/ECRP Forms.” The appropriate Form that a TPH and the Clearing Member must complete depends on whether the Authorized Reporter to be registered is an individual affiliated with the TPH, affiliated with a different TPH, or not affiliated with any TPH.

Electronic Reporting of ECRP Transactions

An ECRP transaction can be reported to the Exchange via the [Cboe Titanium U.S. Customer Web Portal](#) or the Cboe Titanium U.S. Secure Web API. Instructions for the Web Portal’s Block Trade/ ECRP Reporting Tool can be found in the “[Block and ECRP Trades](#)” section of the [U.S. Customer Web Portal Specification](#). Instructions for the Secure Web API can be found in the “[Block/ECRP Trade Reporting Service](#)” of the [Cboe Titanium U.S. Secure Web API](#) specification.

Both reporting methods use Executing Firm IDs (“EFIDs”) as the identifier for trading participants. Parties to an ECRP transaction need to share their EFID with their Authorized Reporter so that it can be entered, along with other trade details, into the appropriate fields of the Web Portal’s Block Trade/ECRP Reporting Tool or the Secure Web API’s Block/ECRP Trade Reporting Service.

CFE Rule 414(l)(i)(D) requires the initiating Authorized Reporter of the ECRP transaction to enter the required information into the CFE System and provide the System-generated reference ID to the Authorized Reporter for the contra side promptly enough to allow a reasonable amount of time for the contra side Authorized Reporter to accept the notification (as entered by the initiating Authorized

³ As an example of the application of the thirty minute Reporting Deadline and the Permissible Reporting Period: An ECRP transaction involving a VX future (other than an expiring VX future on its last trading day) that is agreed upon after 3:30 p.m. and before 4:00 p.m. (during the extended trading hours for VX futures) must be fully reported to the Exchange by 4:00 p.m. of that calendar day, even though there is less than thirty minutes to fully report the transaction. All times referenced in this example are Chicago time. See CFE Rule 414(e) for additional information.

Reporter) and enter contra side information within a Permissible Reporting Period by no later than the Reporting Deadline.

For purposes of adherence to these timeframes, an ECRP transaction shall be deemed fully reported to the Exchange when the full report of the transaction has been received by the CFE System matching engine following the initiating Authorized Reporter's notification and the contra side Authorized Reporter's acceptance and notification of the required information. See CFE Rule 414(m)(i).

Pursuant to CFE Rule 414(l)(ii), if both parties to an ECRP transaction utilize the same Authorized Reporter to notify the Exchange of the terms of the ECRP transaction, that Authorized Reporter may enter all of the required information regarding both sides of the transaction into the CFE System and fully report the transaction. For timing purposes, an ECRP transaction shall be deemed fully reported to the Exchange when the full report of the transaction has been received by the CFE System matching engine following that single Authorized Reporter's notification to the CFE System of the required information on behalf of both parties. See CFE Rule 414(m)(ii).

ECRP Notification Information

Pursuant to CFE Rule 414(k), notification to the Exchange of an ECRP transaction must include:

- (i) whether the component of the transaction in the Contract listed on the Exchange is a single leg transaction, a transaction in a spread, or a transaction in a strip;
- (ii) the Contract identifier (or product and contract expiration for a future or product, expiration, strike price, and type of options (put or call) in the case of an option), price (or premium for an option), and quantity of the relevant contract leg of the transaction and whether the relevant contract leg is buy or sell;
- (iii) the time of execution (i.e., the time at which the parties agreed to the terms of the transaction);
- (iv) the arrangement time, if any (i.e., the time at which the parties agreed to enter into the transaction at a later time);
- (v) Order Entry Operator ID ("OEO ID") of the Authorized Reporter reporting the transaction;
- (vi) EFID;
- (vii) account;
- (viii) Clearing House origin code (C for Customer or F for Firm);
- (ix) Customer Type Indicator ("CTI") code;
- (x) the identity, quantity, and price or premium of the related position (including the expiration, strike price, type of option (put or call) and delta in the case of an option); and
- (xi) any other information required by the Exchange.

Failure to submit complete and accurate data may result in disciplinary action.

Recordkeeping Requirements

Every TPH handling, executing, clearing, or carrying ECRP transactions or positions shall identify and mark as such by appropriate symbol or designation all ECRP transactions or positions and all orders, records, and memoranda pertaining to the ECRP transactions.⁴

⁴ CFE Rule 414(g).

Each TPH involved in an ECRP transaction shall either maintain records evidencing compliance with the criteria set forth in CFE Rule 414 or be able to obtain such records from its Customer.⁵ Complete order records for ECRP transactions must be created and maintained pursuant to CFE Rules 414(g), 403(h), and 502 as well as CFTC Regulations.

Busting or Adjusting an ECRP Transaction Due to Mistake, Inaccuracy or Error

Pursuant to CFE Rule 416 and Policy & Procedure III (F) of the [Policies and Procedures Section](#) of the CFE Rulebook, the Trade Desk is authorized to bust or adjust the Contract leg of an ECRP if (i) there was a mistake, inaccuracy or error in the information that was inputted into the CFE System for the Contract leg of the ECRP transaction and (ii) an Authorized Reporter or party on each side of the transaction notifies the Trade Desk of the mistake, inaccuracy or error by submitting an [Error Trade Form](#) to the Exchange by **no later than 4:00 p.m. Chicago time** on the Business Day of the transaction.

Please note that an Authorized Reporter or party on one side of the ECRP transaction is required to enter the bust or adjustment request through the above form, and an Authorized Reporter or party for the contra side of the transaction must agree to the request and on the mistake, inaccuracy, or error that occurred via email confirmation to cfetradedesk@cboe.com. Both of these submissions must be made **by 4:00 p.m. Chicago time** on the Business Day of the transaction in order for the Trade Desk to consider the bust or adjustment request.

Trade at Settlement (“TAS”) ECRP Transactions

TAS transactions pursuant to CFE Rule 404A may be executed as ECRP transactions provided that TAS transactions are permitted in the CFE product. TAS transactions are reported to clearing after the actual price of the transactions are known following establishment of the daily settlement price.

Rejection of an ECRP Transaction that Does Not Conform with CFE Rule 414 Requirements

The Exchange or CFE System may reject the submission of an ECRP transaction (or bust the Cboe Contract leg of an ECRP transaction) that does not conform, or that is reported to the Exchange in a manner that does not conform, to the requirements of CFE Rule 414. The acceptance by the Exchange or CFE System of the submission of an ECRP transaction does not constitute a determination by the Exchange that the transaction was effected or reported in conformity with the requirements of CFE Rule 414. Any ECRP transaction in violation of the requirements of CFE Rule 414 may result in disciplinary action.⁶

Rejection of an ECRP Transaction that Exceeds Risk Controls

The CFE System will reject the submission of an ECRP transaction if the transaction would cause a net long (short) risk control pursuant to CFE Rule 513A(c) to be exceeded for either side of the transaction.⁷

⁵ CFE Rule 414(h).

⁶ CFE Rule 414(p).

⁷ CFE Rule 414(o). See also Policy and Procedure III(J).

Bilateral Negotiations of ECRP Transactions

Pursuant to CFE Rule 414(q), it is not permissible to facilitate the execution of an ECRP transaction in an Exchange product on a system or facility accessible to multiple parties that allows for the electronic matching or electronic acceptance of bids and offers. Parties may use communication technologies to bilaterally request ECRP quotes from one or more parties and to conduct privately negotiated ECRP transactions. Additionally, third party technology that allows for the electronic posting of indicative ECRP markets displayed to multiple parties may also be utilized. However, ECRP transactions executed between parties based on such electronically displayed indicative markets may only be transacted through direct bilateral communications involving a broker, where applicable, and the parties to the ECRP. Broker(s) or parties involved in an ECRP transaction utilizing such technology must maintain and provide to the Exchange, upon request, documentation or correspondence clearly evidencing direct bilateral communications demonstrating the transaction was privately negotiated between the broker(s) and the parties to the transaction. Failure to provide such documentation or communication may result in disciplinary action.

Adherence to CFE and Other Applicable Rules for Related Positions

TPHs are reminded to review the CFE contract specifications for CFE product specific ECRP requirements as well as any non-CFE rules applicable to the Related Position prior to executing an ECRP transaction on CFE.

Compliance with CFE Rules by TPHs executing ECRP transactions on their own behalf or as an agent for a non-TPH does not constitute compliance with any non-CFE rules applicable to the Related Position. As an example, a TPH executing an ECRP transaction involving a CFE Contract and an ETP must comply with CFE Rules and rules of the exchange on which the ETP is traded or the Trade Reporting Facility requirements for transactions effected otherwise than on an exchange.

Similarly, a TPH executing an ECRP transaction involving a CFE product and a Cboe Options product must satisfy the requirements in CFE Rule 414 as well as the requirements of any Cboe Options rules applicable to the transaction. Among the Cboe Options rules that may apply are:

- Cboe Options Rule 5.33(m) regarding Related Futures Cross (“RFC”) orders;
- Cboe Options Rule 5.85 regarding order and quote allocation, priority and execution;
- Cboe Options Rule 5.86 regarding facilitated and solicited transactions; and
- Cboe Options Rule 5.87 regarding crossing orders.

For additional information regarding applicable Cboe Options’ rules, please see the [Cboe Options Rulebook](#).

Additional Information

Please contact CFE Regulatory Interpretations at CFEreginterps@cboe.com or 312.786.7229 for additional questions about this circular.