

Trading Appendix 8

# Block Trade Facility Procedures

Commodity Derivatives

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## BLOCK TRADE FACILITY PROCEDURES

### PART A: BLOCK TRADE CONTRACTS

#### 1 AVAILABILITY OF BLOCK TRADE FACILITY FOR BLOCK TRADE CONTRACTS

- 1.1 The Exchange may designate from time to time those Block Trade Contracts that are eligible for being traded pursuant to this Block Trade Facility.
- 1.2 Block Trades may be reported only during the Exchange Opening Hours and on such Bank Days as the Exchange may from time to time prescribe.
- 1.3 An Exchange Member wishing to use the Block Trade Facility must execute such enrolment or other registration documentation specified by the Exchange prior to submitting its first Block Trade to the Block Trade Facility, including where appropriate consents by the relevant Account Holder(s).
- 1.4 Each Exchange Member entering into, or submitting, a Block Trade to the Exchange pursuant to the Block Trade Facility must comply with all laws and regulations applicable to it, including maintaining all Required Authorisations.

#### 2 REPORTING OF BLOCK TRADES

- 2.1 Exchange Members must report Block Trades to the Exchange in the form and manner designated by the Exchange from time to time.
- 2.2 Block Trades must be reported to the Exchange within the period of time set out in Section 2 of the Exchange's Market Conduct Rules.
- 2.3 The period of time for the submission of a Block Trade to the Exchange commences as of the Contract Time or, if the Contract Time is outside the Exchange Opening Hours (except those with Contract Time 15 minutes or less before the start of Exchange Opening Hours), the start of the following Exchange Opening Hours on a Bank Day.
- 2.4 Exchange Members must not delay reporting the Block Trade to the Exchange.
- 2.5 Block Trades may be reported to the Exchange by the involved Exchange Members as follows:
  - a. Single-sided registrations: Exchange Members may report a buy or sell side of a Block Trade to the Exchange, in which case the other party must arrange registration of an opposite and matching single-sided registration with the Exchange or the Co-Operating Exchange, nominating the original Exchange Member as counterparty to the Block Trade. Only matching and opposite single-sided registrations from the parties to the Block Trade will be deemed to represent a report to the Exchange. Single-sided registrations that have not been matched by an opposite single-sided registration by the end of Exchange Opening Hours on the applicable Bank Day will be cancelled.
  - b. Joint (two-sided) registration: An Exchange Member may report both sides of a Block Trade to the Exchange if both parties to the Block Trade have sent to the Exchange a written notification thereof in such form as the Exchange shall prescribe from time to time. A Block Broker Member may report both sides of a Block Trade to the Exchange if both parties to the Block Trade have appointed such person as their Block Broker Member with the Exchange or the Co-Operating Exchange, as relevant.
- 2.6 An Exchange Member or Block Broker Member may only be appointed to carry out joint registration under section 2.5(b) above by an Account Holder.
- 2.7 The Exchange may, on its own initiative, check the details of any submitted Block Trade and, if the Exchange in its sole discretion is not satisfied that any of the details submitted in respect of such Block Trade are valid, the Exchange may void the Block Trade. Any decision by the Exchange to void a Block Trade in accordance with this Section 2.7 is final.
- 2.8 If the Co-Operating Exchange makes a decision to void any Block Trade, the Exchange shall also void such Block Trade.

- 2.9 When a Block Trade has been reported to, and not voided by, the Exchange or the Co-Operating Exchange, the Block Trade is entered into the Trading System and is identified as a Block Trade with a specific trade type determined by the Exchange.

### **3 BROADCAST OF BLOCK TRADES**

- 3.1 Once a Block Trade has been identified as a Block Trade pursuant to section 2.9 above, the price, volume and Block Trade Contract will be broadcast to all Exchange Members by electronic display on the Trading System or as otherwise determined by the Exchange from time to time.

### **4 COMPLIANCE**

- 4.1 Recording by the Exchange of a Block Trade pursuant to this Block Trade Facility does not preclude the Exchange or the Co-Operating Exchange from instigating disciplinary procedures in the event that the transaction is subsequently found to have been made other than in compliance with the applicable provisions of the Trading Rules and/or the Clearing Rules, nor does it preclude the Clearinghouse from voiding or taking other action in relation to a Block Trade.

## **PART B: EFP AND EFS**

### **5 AVAILABILITY OF BLOCK TRADE FACILITY FOR EFP AND EFS**

- 5.1 The Exchange may designate from time to time those Contracts that are eligible for being traded pursuant to this Block Trade Facility for EFPs and EFSs.
- 5.2 EFPs and EFSs may be reported only during the Exchange Opening Hours and on such Bank Days as the Exchange may from time to time prescribe.
- 5.3 Any Exchange Member may use the Block Trade Facility to submit EFP or EFS.
- 5.4 Each Exchange Member entering into, or submitting, an EFP or EFS to the Exchange pursuant to the Block Trade Facility must comply with all laws and regulations applicable to it, including maintaining all Required Authorisations.

### **6 REPORTING OF EXCHANGES OF FUTURE FOR PHYSICAL AND EXCHANGES OF FUTURE FOR SWAPS**

- 6.1 Exchange Members must report EFPs and EFSs to the Exchange in the form and manner designated by the Exchange from time to time.
- 6.2 EFPs and EFSs may be reported to the Exchange by the involved Exchange Members as follows:
- a. Single-sided registrations: Exchange Members may report a buy or sell side of an EFP or EFS to the Exchange, in which case the other party must arrange registration of an opposite and matching single-sided registration with the Exchange or the Co-Operating Exchange, nominating the original Exchange Member as counterparty to the EFP or EFS. Only matching and opposite single-sided registrations from the parties to the EFP/EFS will be deemed to represent a report to the Exchange. Single-sided registrations that have not been matched by an opposite single-sided registration by the end of Exchange Opening Hours on the applicable Bank Day will be cancelled.
  - b. Joint (two-sided) registration: An Exchange Member may report both sides of an EFP or EFS to the Exchange if both parties to the EFP/EFS have sent to the Exchange a written notification thereof in such form as the Exchange shall prescribe from time to time. A Block Broker Member may report both sides of an EFP or EFS to the Exchange if both parties to the EFP/EFS have appointed such person as their Block Broker Member with the Exchange.

- 6.3 An Exchange Member or Block Broker Member may only be appointed to carry out joint registration under section 6.2(b) above by an Account Holder.
- 6.4 The Exchange may, on its own initiative, check the details of any submitted EFP or EFS and, if the Exchange in its sole discretion is not satisfied that any of the details submitted in respect of such EFP or EFS are valid, the Exchange may void the EFP or EFS. Any decision by the Exchange to void an EFP or EFS in accordance with this Section 6.4 is final.
- 6.5 If the Co-Operating Exchange makes a decision to void any EFP or EFS, the Exchange shall also void such EFP or EFS.
- 6.6 When an EFP or EFS has been reported to, and not voided by, the Exchange or the Co-Operating Exchange, the EFP or EFS is entered into the Trading System and is identified as an EFP or EFS with a specific trade type determined by the Exchange.

## **7 BROADCAST OF EXCHANGES OF FUTURE FOR PHYSICAL AND EXCHANGES OF FUTURE FOR SWAPS**

- 7.1 Once an EFP or EFS has been identified as an EFP or EFS pursuant to section 6.6 above, the price, volume and underlying contract will be broadcast to all Exchange Members or as otherwise determined by the Exchange from time to time.

## **8 COMPLIANCE**

- 8.1 Recording by the Exchange of an EFP or EFS pursuant to this Block Trade Facility does not preclude the Exchange or the Co-Operating Exchange from instigating disciplinary procedures in the event that the transaction is subsequently found to have been made other than in compliance with the applicable provisions of the Trading Rules and/or the Clearing Rules, nor does it preclude the Clearinghouse from voiding or taking other action in relation to an EFP or EFS.
- 8.2 Exchange Members are required to obtain and provide independent evidence to support the transaction underlying the EFP or EFS, and evidence that such transaction has been cancelled. Conditions or requirements in relation to such evidence may be set by the Exchange from time to time and must be met by Exchange Members at all times.

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