



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104973; File No. SR-CFE-2026-002]

Self-Regulatory Organizations; Cboe Futures Exchange, LLC; Notice of a Filing of a Proposed Rule Change Regarding Exchange of Contract for Related Position and Block Trade Order Recordkeeping Requirements

March 11, 2026.

Pursuant to Section 19(b)(7) of the Securities Exchange Act of 1934 (“Act” or “Exchange Act”),¹ notice is hereby given that on March 3, 2026 Cboe Futures Exchange, LLC (“CFE” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change described in Items I, II, and III below, which Items have been prepared by CFE. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons. CFE also has filed this proposed rule change with the Commodity Futures Trading Commission (“CFTC”). CFE filed a written certification with the CFTC under Section 5c(c) of the Commodity Exchange Act (“CEA”)² on March 2, 2026.

I. Self-Regulatory Organization’s Description of the Proposed Rule Changes

CFE proposes to revise its recordkeeping requirements applicable to orders for Exchange of Contract for Related Position (“ERCP”)³ transactions and Block Trades.⁴ The scope of this filing is limited solely to the application of the proposed rule change to security futures that may

¹ 15 U.S.C. 78s(b)(7).

² 7 U.S.C. 7a-2(c).

³ An ECRP transaction consists of a transaction in a Contract listed on CFE and a transaction in a related position that is negotiated off of CFE’s trading facility and is then reported to CFE which meets the parameters for an ECRP transaction under CFE’s rules. 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. In every ECRP transaction, one party is 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 is the seller of (or the holder of the short market exposure associated with) the related position and the buyer of the corresponding Contract.

⁴ A Block Trade is a large transaction in a Contract listed on CFE that is negotiated off of CFE’s trading facility and is then reported to CFE which meets the parameters for a Block Trade under CFE’s rules.

be traded on CFE. Although no security futures are currently listed for trading on CFE, CFE may list security futures for trading in the future. The text of the proposed rule change is attached as Exhibit 4 to the filing but is not attached to the publication of this notice.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Changes

In its filing with the Commission, CFE included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. CFE has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, Proposed Rule Changes

1. Purpose

CFE Rule 403 (Order Entry and Maintenance of Front-End Audit Trail) governs various aspects relating to orders in CFE products. Rule 403(h) includes recordkeeping requirements regarding orders received by a CFE Trading Privilege Holder ("TPH"), including its Authorized Traders, where those orders cannot be immediately entered into CFE's trading system ("CFE System"). For those orders, Rule 403(h) requires that a TPH, including its Authorized Traders, prepare an order form in a non-alterable written medium, which must be time-stamped and include the account designation, date, and other required information. Rule 403(h) further requires that any such orders be entered into the CFE System as soon as they can be entered. Rule 403(h) is consistent with applicable recordkeeping requirements established by the CFTC

Regulation 1.35 (Records of commodity interest and related cash or forward transactions),⁵ and in particular, CFTC Regulation 1.35(b)(1).⁶

CFE Rule 414 (Exchange of Contract for Related Position) and CFE Rule 415 (Block Trades) govern ECRP transactions and Block Trades, respectively. Rules 414(g) and 415(e) currently require that each TPH that acts as an agent for an order involving an ECRP transaction or Block Trade record the following information in an order ticket (which in the case of an ECRP transaction is required to be recorded in relation to the Contract leg of the transaction, which is the CFE product leg of an ECRP transaction): (i) the Contract (including the expiration); (ii) the number of contracts traded; (iii) the price of execution or premium; (iv) the time of execution (i.e., the time at which the parties agreed to the transaction); (v) the arrangement time, if any (i.e., the time at which the parties agreed to enter into the transaction at a later time); (vi) the identity of the counterparty; (vii) that the transaction is an ECRP transaction or Block Trade; (viii) the account number of the Customer for which the transaction was executed; and (ix) the identity, quantity, and price or premium (including the expiration, strike price, type of option (put or call), and delta in the case of an option). These requirements are not specifically dictated by CFTC Regulation 1.35.⁷

Rule 415(s)(xiii) sets forth additional requirements relating to order tickets for Derived Block Trades which are also not specifically dictated by CFTC Regulation 1.35.⁸ Specifically, Rule 415(s)(xiii) currently requires that each TPH that acts as an agent for an order involving a Derived Block Trade record the following details in an order ticket for the Derived Block Trade (in addition to the above details that are required to be included in an order ticket under Rule

⁵ 17 CFR §1.35.

⁶ 17 CFR §1.35(b)(1).

⁷ 17 CFR §1.35(b).

⁸ A Derived Block Trade is a Block Trade in which the trade price and contract quantity of the Block Trade are dependent upon one or more hedging transactions conducted by one of the parties to the Block Trade referred to as a Hedging Party that take place after the Block Trade has been consummated between the parties but prior to the submission of the Block Trade to the Exchange.

415(e) for any Block Trade): (i) identification of the transaction as a Derived Block Trade; (ii) the product(s) in which the hedging transaction(s) by the Hedging Party relating to the Derived Block Trade took place; (iii) the start time and end time of the hedging transaction(s) by the Hedging Party relating to the Derived Block Trade; (iv) the execution methodology for the hedging transaction(s) by the Hedging Party relating to the Derived Block Trade (which may be Volume Weighted Average Price (“VWAP”), Time Weighted Average Price (“TWAP”), Percentage of Volume (“POV”), Limit Orders, or a description of any other execution methodology that was utilized); and (v) the methodology for calculating the price of the Derived Block Trade, including specification of the amount of any basis, ratio, or other value to be used in that calculation.

The proposed rule changes would delete the specific order ticket recordkeeping requirements for ECRP transactions set forth in Rule 414(g) and the specific order ticket recordkeeping requirements for Block Trades (including Derived Block Trades) set forth in Rules 415(e) and 415(s)(xiii).⁹ Further, the proposed rule changes would add language to Rule 403(h) specifically stating that orders which cannot be immediately entered into the CFE system include, without limitation, ECRP transactions and Block Trades. As such, the order recordkeeping requirements set forth in Rule 403(h) would apply equally to ECRP transactions and Block Trades, instead of the order ticket requirements in Rule 414(g), 415(e), and 415(s)(xiii), which would be deleted.

The proposed rule change would also clarify what information must be included in an order form prepared by a TPH for an order, including an ECRP transaction or Block Trade, which cannot be immediately entered into the CFE System. Rule 403(h) currently states that such an order form must include “the account designation, date and other required information.” The proposed change would insert the phrase “under Applicable Law” after the preceding

⁹ While the proposed rule changes would delete portions of Rule 414(g), 415(e), and 415(s)(xiii), other portions of those provisions would be retained. *See, infra*, footnotes 15-17.

language in Rule 403(h) so that the language would read “the account designation, date and other required information under Applicable Law”¹⁰ to further clarify what is meant by “other required information” that must be included in an order form. In particular, this language would encompass the requirements under CFTC Regulation 1.35¹¹ which addresses, among other things, CFTC recordkeeping requirements relating to customer orders.

Additionally, the proposed rule change would revise Rule 403(h) in order to clarify that only orders that can eventually be entered into the CFE System must be entered into the CFE System in the order they were received as soon as they can be entered into the CFE System. Orders for ECRP transactions and Block Trades are not required to be entered into the CFE System since these orders are for off-exchange transactions that are agreed upon off of CFE’s trading facility and since these orders are not executed by the CFE System. Instead, after an ECRP transaction or Block Trade is agreed upon by the parties to the transaction, the terms of the agreed-upon transaction are reported to the CFE System.

Neither the CEA nor CFTC regulations include specific order ticket recordkeeping requirements for ECRP transactions or Block Trades beyond the requirement set forth in CFTC Regulation 1.38 (Execution of Transactions)¹² that orders, records, and memoranda pertaining to trades not competitively executed, which includes ECRP transactions and Block Trades, be appropriately marked as such. Rather, the general recordkeeping requirements relating to orders set forth in CFTC Regulation 1.35¹³ apply to ECRP transactions and Block Trades.

CFE’s rules, as proposed to be amended, would continue to require TPHs and their Authorized Traders to keep records regarding orders in compliance with Applicable Law, as

¹⁰ Applicable Law is defined in Chapter 1 of the CFE Rulebook (Definitions) and includes, but is not limited to, the CEA, CFTC Regulations, margin rules adopted by the Board of Governors of the Federal Reserve System (as amended from time to time) and, to the extent applicable, the Exchange Act and Exchange Act Regulations.

¹¹ 17 CFR §1.35.

¹² 17 CFR §1.38.

¹³ 17 CFR §1.35.

defined in the CFE Rulebook, which includes the CEA and CFTC regulations as well as, to the extent applicable, the Exchange Act and Exchange Act Regulations. The proposed rule change would simply remove specific additional prescriptive internal recordkeeping requirements for TPHs with respect to orders for ECRP transactions and Block Trades that are not required by Applicable Law. Notably, the proposed rule change does not affect the portions of Rules 414(g) and 415(e) that require every TPH handling, executing, clearing, or carrying ECRP transactions or Block Trades, respectively, to identify and mark all orders, records, and memoranda pertaining to those transactions as such with an appropriate symbol or designation consistent with CFTC Regulation 1.38.¹⁴

The proposed rule change would alter only internal order recordkeeping requirements for TPHs and their Authorized Traders with respect to ECRP transactions and Block Trades. The proposed rule change would not change any other Exchange rules regarding ECRP transactions or Block Trades. Accordingly, TPHs will continue to be required to report to the Exchange through their Authorized Reporters, among other information, the same type of information that is identified in current Rules 414(g), 415(e), and 415(s)(xiii) as is currently required to be included in an order ticket for an ECRP transaction or Block Trade. Notably, CFE's requirements for reporting ECRP transactions and Block Trades (including Derived Block Trades) to the Exchange, which are set forth in CFE Rule 414(k)¹⁵, CFE Rule 415(h),¹⁶ and

¹⁴ 17 CFR §1.38.

¹⁵ Rule 414(k) requires that the notification to the Exchange of an ECRP transaction shall 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 transaction in a strip; (ii) the Contract identifier (or product and contract expiration for a future or product, expiration, strike price and type of option (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 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; (vi) EFID; (vii) account; (viii) Clearing House origin code (C for Customer or F for Firm); (ix) Customer Type Indicator 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.

¹⁶ Rule 415(h) requires that the notification to the Exchange of a Block Trade shall include (i) whether the Block Trade 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 option (put or call) in the case of an option), price (or premium for an option) and quantity of the Block Trade and whether the Block Trade is buy or sell; (iii) the time of execution (i.e., the time at which the parties

415(s)(xiii),¹⁷ respectively, are unaffected and encompass the information currently required to be captured in an order ticket for an ECRP transaction or Block Trade.

Unlike an order ticket, which a TPH creates and maintains in its own records, the Exchange receives the information currently required under Rules 414(g), 415(e), and 415(s)(xiii) to be included in an order ticket for an ECRP transaction or Block Trade directly through the reporting process to the Exchange for an ECRP transaction or a Block Trade, and this information becomes part of the records of the Exchange. As such, the proposed rule change would not alter the information received by the Exchange or the Exchange's internal records with respect to ECRP transactions and Block Trades and would not alter the information immediately available to the Exchange in performing its self-regulatory functions.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,¹⁸ in general, and furthers the objectives of Sections 6(b)(1)¹⁹ and 6(b)(5)²⁰ in particular, in that it is designed:

- to enable the Exchange to enforce compliance by its TPHs and persons associated with its TPHs with the provisions of the rules of the Exchange,

agreed to 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; (vi) executing firm ID ("EFID"); (vii) account; (viii) Clearing Corporation origin code; (ix) Customer Type Indicator code; and (x) any other information required by the Exchange. Additionally, among the other information that the Exchange requires be included as part of the notification to the Exchange of a Block Trade under Rule 415(h) is the identity of the counterparty.

¹⁷ Rule 415(s)(xiii) requires that the notification to the Exchange of a Derived Block Trade include the following information (in addition to the above information that is required to be provided to the Exchange under Rule 415(h) for any Block Trade): (i) identification of the transaction as a Derived Block Trade; (ii) the product(s) in which the hedging transaction(s) by the Hedging Party relating to the Derived Block Trade took place; (iii) the start time and end time of the hedging transaction(s) by the Hedging Party relating to the Derived Block Trade; (iv) the execution methodology for the hedging transaction(s) by the Hedging Party relating to the Derived Block Trade (which may be VWAP, TWAP, POV, Limit Orders, or a description of any other execution methodology that was utilized); and (v) the methodology for calculating the price of the Derived Block Trade, including specification of the amount of any basis, ratio, or other value to be used in that calculation.

¹⁸ 15 U.S.C. § 78f(b).

¹⁹ 15 U.S.C. § 78f(b)(1).

²⁰ 15 U.S.C. § 78f(b)(5).

- to prevent fraudulent and manipulative acts and practices,
- to promote just and equitable principles of trade,
- to remove impediments to and perfect the mechanism of a free and open market and a national market system,
- and in general, to protect investors and the public interest.

The proposed rule change would clarify and simplify the recordkeeping requirements with respect to orders for ECRP transactions and Block Trades and align them with applicable legal requirements. More specifically, the proposed rule change would consolidate recordkeeping requirements specifically applicable to orders which cannot be immediately entered into the CFE System, which include orders for ECRP transactions and Block Trades, in Rule 403(h). The Exchange believes that consolidating and simplifying these order recordkeeping requirements will make it easier for TPHs and their Authorized Traders to comply with them. Accordingly, the Exchange believes that the proposed rule change facilitates compliance with Exchange rules.

Notably, the proposed rule change would only affect the internal recordkeeping of TPHs. The proposed rule change would not affect any other requirements related to ECRP transactions or Block Trades and therefore would not impact the likelihood of fraudulent or manipulative trading on the Exchange or impact the Exchange's ability to promote just and equitable trading.

In particular, the proposed changes would not affect the information submitted to the Exchange regarding ECRP transactions or Block Trades. The requirements for submission of information to the Exchange regarding ECRP transactions and Block Trades are set forth CFE Rules 414(k), 415(h), and 415(s)(xiii), respectively, and these requirements would not be amended by the proposed changes. This information includes, among other information, the same type of information that is identified in current Rules 414(g), 415(e), and 415(s)(xiii) as currently required to be included in an order ticket for an ECRP transaction or Block Trade. As such, the proposed changes would not impact the Exchange's internal records regarding ECRP

transactions and Block Trades and would not impact the Exchange's ability to carry out its responsibilities as a self-regulatory organization. The Exchange would receive the same information regarding ECRP transactions and Block Trades that it currently receives and could continue to use this information to prevent fraudulent and manipulative trading practices.

B. Self-Regulatory Organization's Statement on Burden on Competition

CFE does not believe that the proposed rule change would impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. Specifically, the Exchange believes that the proposed rule change would not burden intra-market competition because the proposed rule updates would apply equally to all TPHs. The Exchange also believes that the proposed rule change would not burden inter-market competition because the Exchange will continue to apply the order entry recordkeeping requirements set forth by Applicable Law, in particular the requirements under CFTC Regulations 1.35²¹ and 1.38,²² and the proposed rule change would not alter any other requirements relating to ECRP transactions and Block Trades.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The proposed rule change will become operative on March 16, 2026. At any time within 60 days of the date of effectiveness of the proposed rule change, the Commission, after consultation with the CFTC, may summarily abrogate the proposed rule change and require that the proposed rule change be refiled in accordance with the provisions of Section 19(b)(1) of the Act.²³

²¹ 17 CFR §1.35.

²² 17 CFR §1.38.

²³ 15 U.S.C. § 78s(b)(1).

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-CFE-2026-002 on the subject line.

Paper comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-CFE-2026-002. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to File Number SR-CFE-2026-002, and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁴

²⁴ 17 CFR 200.30-3(a)(73).

Vanessa A. Countryman,

Secretary.

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