

# coinbase DERIVATIVES

## Market Notice

**To:** Coinbase Derivatives Participants

**From:** Derivatives Command Center

**Notice:** 23-17

**Date:** November 13, 2023

**Subject:** Block Trade Support

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Effective trade date December 1, 2023, pending all relevant CFTC review periods, Coinbase Derivatives Exchange (CDE) will support block trades for CDE Bitcoin Futures and CDE Ether Futures for eligible participants.

### Definition of Block Trades:

Block trade means a privately negotiated futures transaction in a contract that meets (i) certain quantity thresholds and (ii) is permitted to be executed off the centralized market pursuant to CDE's Rulebook which can be found [here](#).

### Participation in Block Trades:

Each party to a block trade must be an [Eligible Contract Participant](#) as defined in Section 1a(18) of the Commodity Exchange Act.

All parties wishing to participate in a block transaction must be registered on CDE by the respective Clearing FCM. Please coordinate with your Clearing FCM to set permissions and establish limits for block trading. Account onboarding can be coordinated with CDE via [derivatives@coinbase.com](mailto:derivatives@coinbase.com).

### Block Eligible Products and Minimum Quantities:

The block trade minimum quantity requirements on the following products is **25 lots**.

[Bitcoin Futures \(BTI\)](#)

[Ether Futures \(ETI\)](#)

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## Time and Prices of Block Trades:

After a block trade is agreed upon (the “execution time”), it is the responsibility of the parties to submit to CDE within 15 minutes via email to the CDE market operations group at [blocktrade@coinbase.com](mailto:blocktrade@coinbase.com). Phone calls will not be accepted.

Block trades must be transacted at prices that are “**fair and reasonable**” per CDE Rule 601. The trade price must be consistent with the minimum tick increment for the product in question. Please note that CDE may request documentation from participants evidencing the analysis that was performed to determine the “fair and reasonable” price following the execution of a block trade.

## Block Trade Submission:

The following information is required for reporting block trades to the CDE market operations group at [blocktrade@coinbase.com](mailto:blocktrade@coinbase.com). An incomplete submission will not be accepted; however, the reporting party will have 15 minutes from the time of original submission to cure the deficiency. Corrections requested and/or made after the 15 minutes have passed will not be accepted; it is the responsibility of the reporting party to ensure all deficiencies are addressed within the time allotted. A template detailing this information is available from CDE.

- Symbol detailing the contract, contract month and contract year
- Quantity of the trade or, for spreads, the quantity of each leg of the trade;
- Price of the trade or, for certain spreads and combinations, the price of each leg of the trade;
- Account numbers for each side of the trade;
- Buyer’s clearing firm and seller’s clearing firm;
- Name and phone number of the party reporting the trade and counterparty name and contact information for verification purposes; and
- Execution time (to the nearest minute in Central/Eastern Time) of the trade. The execution time is the time at which the trade was consummated/agreed.

## Recordkeeping:

Clearing Firms, Participant Firms, and Broker Firms involved in the execution of block trades must maintain a record of the transaction in accordance with CDE Rule 401.

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## Dissemination of Block Trade Information

Block trades, including date, execution time, contract month, price and quantity will be reported via CDE's website <https://www.coinbase.com/derivatives>. Block daily volume will also be made available via the website.

Block trade information is available via the existing FIX Drop Copy. Please contact CDE via [derivatives@coinbase.com](mailto:derivatives@coinbase.com) to arrange required certification and enablement.

## Summary:

BLOCK TRADES	
Market Data & EOD Volume	<a href="https://www.coinbase.com/derivatives">CDE Website</a>
Booking of Trade	<a href="mailto:blocktrade@coinbase.com">blocktrade@coinbase.com</a>
Reporting Window	< 15 Minutes After Block Trade is agreed
Supported Products	Bitcoin (BTI) & Ether (ETI)
Min. Quantity	25 Lots
Drop Copy	Supported*  *Only participants registered and eligible to transact in block trades. No impact to non-block Drop Copy users.

For any questions, please contact [derivatives@coinbase.com](mailto:derivatives@coinbase.com).