



New and Revised International Uniform EFRP and Block Transactions Agreement

Presentation by the FIA L&C Give-Up Committee and FIA Tech
March 8, 2021/March 11, 2021



Disclaimers

- Nothing about this presentation, any information or documentation from FIA, its members, or FIA Tech, or any of the versions of the International Uniform EFRP and Block Transactions Agreement are intended to provide investment, tax, business, legal or professional advice, including, but not limited to, advice regarding what specific limits may apply to any trading. Neither FIA or its members, nor FIA Tech, make any representations, warranties, or guarantees as to any versions of the International Uniform EFRP and Block Transactions Agreement or any of such agreements' contents. Neither FIA or its members, nor FIA Tech, make any representations, warranties, or guarantees as to this presentation or any information or documentation from FIA, its members, or FIA Tech.
- CAUTION: ALL VERSIONS OF THE INTERNATIONAL UNIFORM EFRP AND BLOCK TRANSACTIONS AGREEMENT ARE DESIGNED AS BASIC DOCUMENTS FOR MARKET PARTICIPANTS ENGAGING IN “EFRP” AND “BLOCK” TRANSACTIONS. NONE OF THE VERSIONS ARE INTENDED TO SERVE AS ALL ENCOMPASSING DOCUMENT(S) FOR USE BY ALL PARTIES UNDER ALL CIRCUMSTANCES. PARTIES SHOULD CAREFULLY CONSIDER THE FULL SCOPE OF REGULATORY (INCLUDING, WITHOUT LIMITATION, EXCHANGE) AND COMMERCIAL TERMS THAT MAY BE APPLICABLE TO THEIR PARTICULAR CIRCUMSTANCES AND MAY ELECT TO ENTER INTO MORE DETAILED AND/OR REVISED AGREEMENTS AT THE OUTSET OR DURING THE COURSE OF THEIR RELATIONSHIP(S).
- There is no requirement to re-document with the new and/or revised agreements. Use of these agreements is entirely optional and at the sole discretion of any person or entity.



Background

- The Customer and Trader Versions of the International Uniform EFP Transactions Agreement have not been substantively updated since they were first published in 2008.
- Following work of the FIA Law & Compliance Division (“L&C”), new/revised agreements were published last week.
- Specifically, the new/revised agreements include updated versions of both the Customer and Trader versions of the agreement, as well as four new versions of the agreement.



New and Revised International Uniform EFRP and Block Transactions Agreement

- **Revised Agreements**

- 2021 International Uniform EFRP and Block Transactions Agreement: **Customer** Version
- 2021 International Uniform EFRP and Block Transactions Agreement: **Trader** Version

- **New Agreements**

- 2021 International Uniform EFRP and Block Transactions Agreement: **Broker (for Customer)** Version
- 2021 International Uniform EFRP and Block Transactions Agreement: **Broker (for Dealer) Customer** Version
- 2021 International Uniform EFRP and Block Transactions Agreement: **Broker (for Dealer) Trader** Version
- 2021 International Uniform EFRP and Block Transactions Agreement: **Broker (for Trader)** Version



Context/Certain Substantive Aspects of New/Revised Agreements

- Contemplate governing bilateral transactions, *i.e.*, EFRPs and block trades, under a single agreement
- Contemplate governing block transactions and EFRP types in addition to EFPs
- The blocks referenced under the agreements are not contemplated to be limited to those that are given-up
- Additional language around limit setting was added with the intent to reflect the practical realities of how limits are established in certain instances (see, *e.g.*, Trader Version, Section 7)
- New concepts of Trade Break Transaction Adjustment and Trade Break Settlement Amount were added (see, *e.g.*, Trader Version, Section 12)
- Certain versions of the new/revised agreements contemplate billing to different party(ies). For example, the Trader Version contemplates billing to one of the following: (1) Customer; (2) Trader; or (3) Customer's Clearing Broker. Per Section 18 of the Trader Version, the party to be billed may be selected on the Addendum to the agreement. "If Customer's Clearing Broker is selected as the party to be billed, then [additional] language shall apply."

US Documentation Library

FIA Global Reach. Regional Expertise.

HOME ABOUT US CCP RISK REVIEW MORE...

US Documentation Library

US Documentation Library

About the US Documentation Library

FIA's US Documentation Library contains a wide range of guidance documents and template agreements and disclosures, separated by categories as set forth below.

[Client Clearing and Execution Agreements](#) –

FIA offers template agreements for market participants to use in negotiating clearing- and execution-related agreements with counterparties.

[Standard Give-Up Agreements](#) –

The FIA Law and Compliance Division publishes and periodically updates standard agreements governing the futures give-up process. FIA Tech in turn administers the Accelerate Docs through which brokers, traders and customers may electronically execute the standard give-up agreements. Firms may choose to use the standard agreements either manually in hardcopy form or electronically in Accelerate Docs.

[LME Give-Up Agreements](#) –

In addition to the Standard Trader and Customer Versions of the Give-Up Agreement, the FIA Law & Compliance Division makes available more tailored versions of give-up agreements for transactions executed on the London Metal Exchange (LME), where either or both the direct Executing or Clearing Broker is not an LME member firm. The LME Give-Up Agreements come in trader and customer versions and are specifically designed to comply with the LME's rules.

[EFRP and Block Agreements](#) –

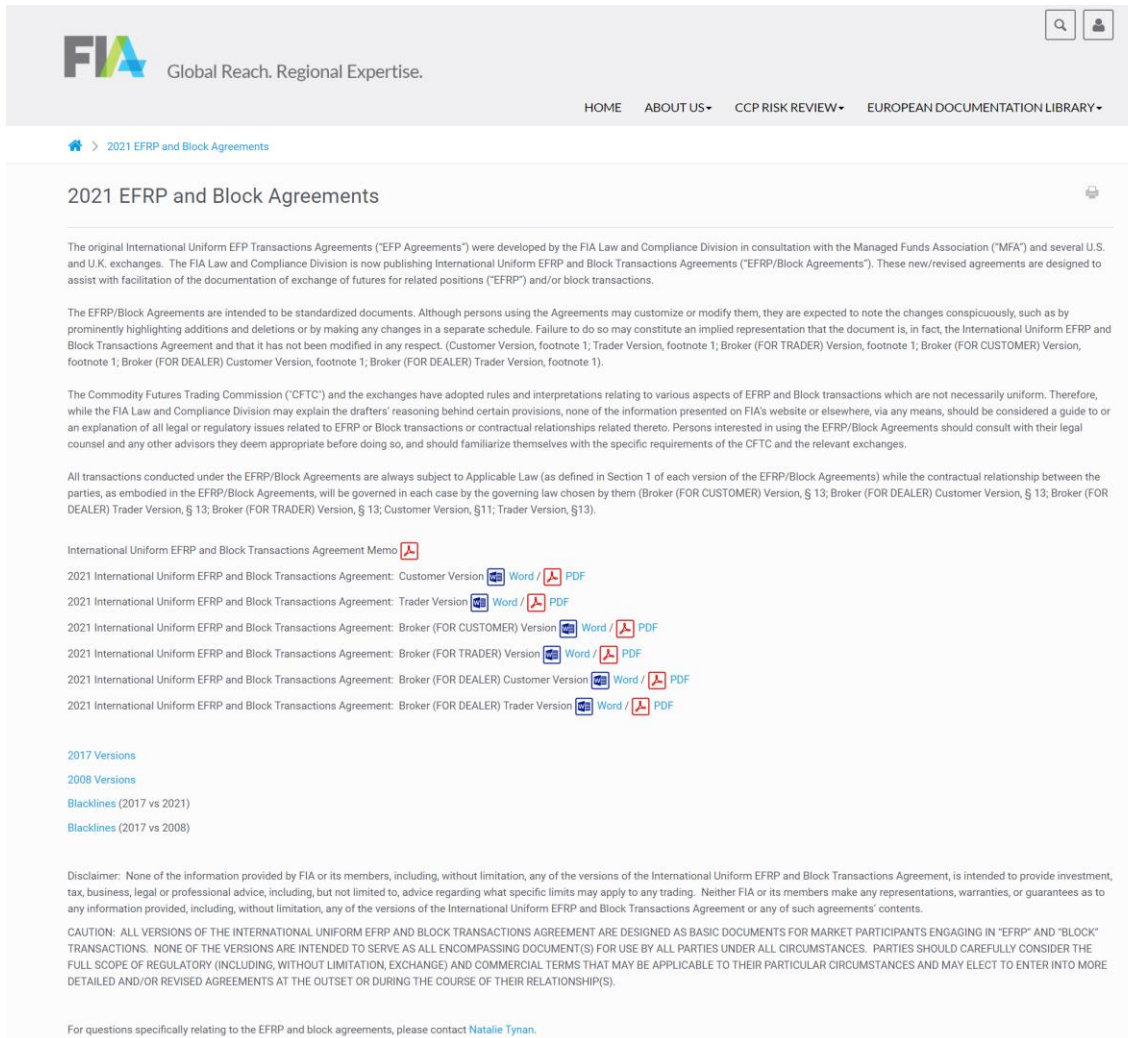
The original International Uniform EFP Transactions Agreements ("EFP Agreements") were developed by the FIA Law and Compliance Division in consultation with the Managed Funds Association ("MFA") and several U.S. and U.K. exchanges. The FIA Law and Compliance Division is now publishing International Uniform EFRP and Block Transactions Agreements. These new/revised agreements are designed to assist with facilitation of the documentation of EFRP and/or block transactions.

[US Legal Opinions](#) –

Services

- Client Clearing and Execution Agreements
- Standard Give-Up Agreements
- LME Give-Up Agreements
- EFP Agreements
- US Legal Opinions
- Operational and Technology Guidance

US Documentation Library Cont'd



The screenshot shows the FIA website's US Documentation Library page for 2021 EFRP and Block Agreements. The page features the FIA logo and tagline "Global Reach. Regional Expertise." at the top left. Navigation links for HOME, ABOUT US, CCP RISK REVIEW, and EUROPEAN DOCUMENTATION LIBRARY are located at the top right. The main heading is "2021 EFRP and Block Agreements". The page contains several paragraphs of text explaining the purpose and use of the agreements, followed by a list of downloadable documents in Word and PDF formats for various versions (Customer, Broker, Trader, Dealer). There are also links for "2017 Versions", "2008 Versions", and "Blacklines" for comparisons between versions. A disclaimer and a cautionary note are provided at the bottom of the main content area, along with contact information for Natalie Tynan.

FIA Global Reach. Regional Expertise.

HOME ABOUT US CCP RISK REVIEW EUROPEAN DOCUMENTATION LIBRARY



2021 EFRP and Block Agreements



The original International Uniform EFP Transactions Agreements ("EFP Agreements") were developed by the FIA Law and Compliance Division in consultation with the Managed Funds Association ("MFA") and several U.S. and U.K. exchanges. The FIA Law and Compliance Division is now publishing International Uniform EFRP and Block Transactions Agreements ("EFRP/Block Agreements"). These new/revised agreements are designed to assist with facilitation of the documentation of exchange of futures for related positions ("EFRP") and/or block transactions.



The EFRP/Block Agreements are intended to be standardized documents. Although persons using the Agreements may customize or modify them, they are expected to note the changes conspicuously, such as by prominently highlighting additions and deletions or by making any changes in a separate schedule. Failure to do so may constitute an implied representation that the document is, in fact, the International Uniform EFRP and Block Transactions Agreement and that it has not been modified in any respect. (Customer Version, footnote 1; Trader Version, footnote 1; Broker (FOR TRADER) Version, footnote 1; Broker (FOR CUSTOMER) Version, footnote 1; Broker (FOR DEALER) Customer Version, footnote 1; Broker (FOR DEALER) Trader Version, footnote 1).



The Commodity Futures Trading Commission ("CFTC") and the exchanges have adopted rules and interpretations relating to various aspects of EFRP and Block transactions which are not necessarily uniform. Therefore, while the FIA Law and Compliance Division may explain the drafters' reasoning behind certain provisions, none of the information presented on FIA's website or elsewhere, via any means, should be considered a guide to or an explanation of all legal or regulatory issues related to EFRP or Block transactions or contractual relationships related thereto. Persons interested in using the EFRP/Block Agreements should consult with their legal counsel and any other advisors they deem appropriate before doing so, and should familiarize themselves with the specific requirements of the CFTC and the relevant exchanges.



All transactions conducted under the EFRP/Block Agreements are always subject to Applicable Law (as defined in Section 1 of each version of the EFRP/Block Agreements) while the contractual relationship between the parties, as embodied in the EFRP/Block Agreements, will be governed in each case by the governing law chosen by them (Broker (FOR CUSTOMER) Version, § 13; Broker (FOR DEALER) Customer Version, § 13; Broker (FOR DEALER) Trader Version, § 13; Broker (FOR TRADER) Version, § 13; Customer Version, § 11; Trader Version, § 13).



International Uniform EFRP and Block Transactions Agreement Memo  



2021 International Uniform EFRP and Block Transactions Agreement: Customer Version  Word /  PDF

2021 International Uniform EFRP and Block Transactions Agreement: Trader Version  Word /  PDF

2021 International Uniform EFRP and Block Transactions Agreement: Broker (FOR CUSTOMER) Version  Word /  PDF

2021 International Uniform EFRP and Block Transactions Agreement: Broker (FOR TRADER) Version  Word /  PDF

2021 International Uniform EFRP and Block Transactions Agreement: Broker (FOR DEALER) Customer Version  Word /  PDF

2021 International Uniform EFRP and Block Transactions Agreement: Broker (FOR DEALER) Trader Version  Word /  PDF

[2017 Versions](#)

[2008 Versions](#)

[Blacklines \(2017 vs 2021\)](#)

[Blacklines \(2017 vs 2008\)](#)

Disclaimer: None of the information provided by FIA or its members, including, without limitation, any of the versions of the International Uniform EFRP and Block Transactions Agreement, is intended to provide investment, tax, business, legal or professional advice, including, but not limited to, advice regarding what specific limits may apply to any trading. Neither FIA or its members make any representations, warranties, or guarantees as to any information provided, including, without limitation, any of the versions of the International Uniform EFRP and Block Transactions Agreement or any of such agreements' contents.

CAUTION: ALL VERSIONS OF THE INTERNATIONAL UNIFORM EFRP AND BLOCK TRANSACTIONS AGREEMENT ARE DESIGNED AS BASIC DOCUMENTS FOR MARKET PARTICIPANTS ENGAGING IN "EFRP" AND "BLOCK" TRANSACTIONS. NONE OF THE VERSIONS ARE INTENDED TO SERVE AS ALL ENCOMPASSING DOCUMENT(S) FOR USE BY ALL PARTIES UNDER ALL CIRCUMSTANCES. PARTIES SHOULD CAREFULLY CONSIDER THE FULL SCOPE OF REGULATORY (INCLUDING, WITHOUT LIMITATION, EXCHANGE) AND COMMERCIAL TERMS THAT MAY BE APPLICABLE TO THEIR PARTICULAR CIRCUMSTANCES AND MAY ELECT TO ENTER INTO MORE DETAILED AND/OR REVISED AGREEMENTS AT THE OUTSET OR DURING THE COURSE OF THEIR RELATIONSHIP(S).

For questions specifically relating to the EFRP and block agreements, please contact [Natalie Tynan](#).



Questions?



Functionality Available in Docs

- All the agreements presented today are available in Docs
- Any newly initiated EFP agreement will use these new templates
 - No change is made to the template version used for any existing agreement
- When amending existing agreements templated on a 2017 version, users will be given the option to update to the most recent version
 - All parties to the agreement will need to approve the update
 - Information on the exact workflow can be found within the [Docs Help Center](#)
- The agreement template version used is displayed in the user interface (UI) as well as system reports



Questions?

FIA

The logo 'FIA' is rendered in a bold, sans-serif font. The 'F' is dark grey. The 'I' is a solid dark grey vertical bar. The 'A' is composed of several overlapping geometric shapes: a light green triangle on the left, a darker green triangle on the right, and a blue triangle at the bottom. The background features large, overlapping geometric shapes in light green, light blue, and a pale yellowish-green, creating a modern, abstract aesthetic.