

February 13, 2025

BY ELECTRONIC FILING

Mr. Christopher J. Kirkpatrick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Washington, D.C. 20581

**Re: BTNL Self-Certification Pursuant to CFTC Regulation 40.2(a)  
Certification - Listing of Avalanche US Dollar Kilo Futures Contract**

Dear Mr. Kirkpatrick,

Bitnomial Exchange, LLC (“BTNL” or the “Exchange”), a designated contract market (“DCM”), hereby notifies the Commodity Futures Trading Commission (“CFTC” or the “Commission”) that it hereby submits for self-certification its initial listing of the Avalanche US Dollar Kilo Futures (“ALUK”) contracts to be offered for trading on BTNL for an intended trade date on or after February 18, 2025.

**Contract Description**

The ALUK contract is a physically-settled, margined futures contract based on the price of 1,000 AVAX (Avalanche). Attached Exchange Rule “Avalanche US Dollar Kilo Futures Contract” details the product specifications.

**Avalanche (AVAX) Market Overview**

Avalanche is a scalable and high-performance blockchain platform designed for DeFi, enterprise solutions, and digital asset issuance. Its unique consensus mechanism enables fast finality and low fees, making it an attractive alternative to traditional Layer 1 blockchains. Avalanche’s subnet architecture allows for the creation of customizable blockchains tailored to specific applications. AVAX, the network’s native token, is used for transaction fees, staking, and governance, playing a crucial role in securing the network.

**Price History**

*Source: <https://www.coingecko.com>*

**Volume History**

*Source: <https://www.coingecko.com>*

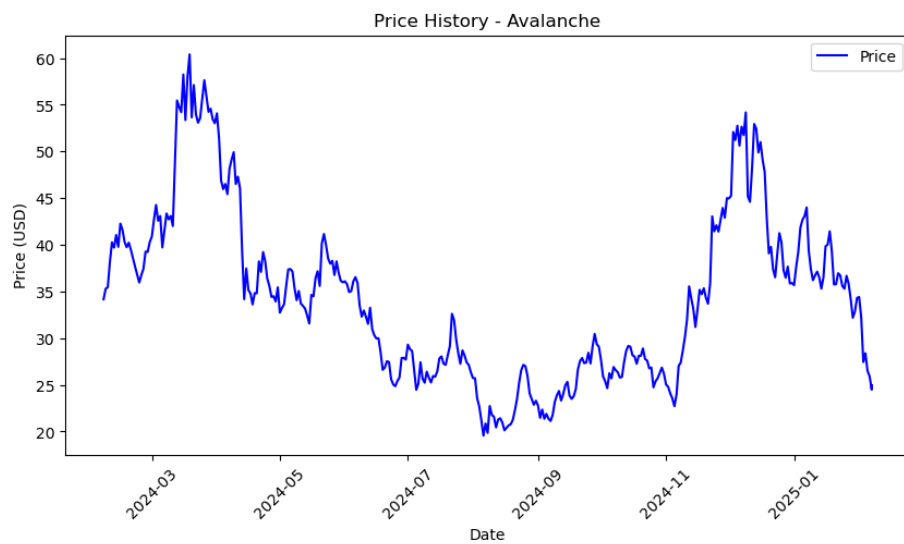


Figure 1: Price Chart

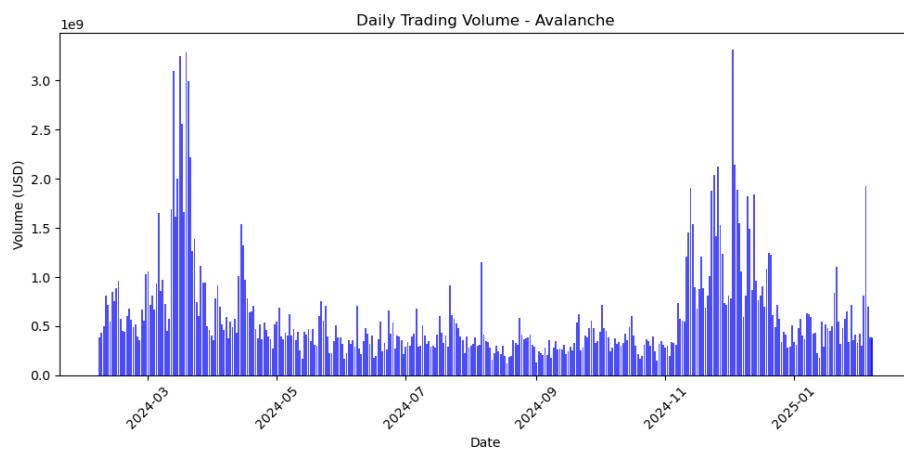


Figure 2: Volume Chart

## **Deliverable Supply Analysis**

- **Current Circulation:** 411,801,164 AVAX
- **Total Supply:** 450,137,469 AVAX
- **Max Supply:** 720,000,000 AVAX
- **Market Cap:** \$10,212,836,740.00

The Exchange proposes a contract month position limit of 450 futures contracts, representing 0.1% of total deliverable supply.

## **Core Principle Compliance**

BTNL has determined that its rules related to the listing of ALUK contracts comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated by the Commission thereunder. BTNL has reviewed the DCM Core Principles and related guidance and determined that the listing of ALUK contracts impact the following Core Principles:

### **Core Principle 2 - Compliance with Rules:**

Trading and delivery of ALUK contracts are subject to the Business Conduct and Trading Practice Rules found in Chapter 4 of the BTNL Rulebook including Rule 403 which forbids pre-arranged, pre-negotiated non-competitive trades. Trading and delivery in these products will also be subject to Market Operations and Discipline and Enforcement Rules found in Chapters 5 and 6, respectively.

### **Core Principle 3 - Contracts Not Readily Subject to Manipulation:**

Multiple domestic and foreign markets trade the underlying AVAX product, making manipulation unlikely. Additionally, Trading and delivery of ALUK contracts are not readily subject to manipulation because they are subject to position limits. Daily and Final settlement will be determined in accordance with BTNL Rule 509.

### **Core Principle 4 - Prevention of Market Disruption:**

Trading and delivery of ALUK contracts are subject to prohibitions of market disruption under Chapters 4, 5, and 6 relating to Business Conduct and Trading Practices, Market Operations, and Discipline and Enforcement, respectively. All trading at BTNL Exchange is subject to market surveillance and a robust disciplinary framework.

### **Core Principle 5 - Position Limits or Accountability:**

Trading and delivery of ALUK contracts are subject to position limits set forth in Chapter 15. The position limits are consistent with Commission guidance. Position limits may be adjusted based on market needs.

**Core Principle 7 - Availability of General Information:**

Prior to the launch of trading of ALUK contracts, product terms and conditions will be available on the BTNL website. Information on delivery of ALUK contracts will be made available on the BTNL website.

**Core Principle 8 - Daily Publication of Trading Information:**

The Exchange will publish ALUK trading volumes, open interest levels, and price information on its website and through quote vendors.

**Core Principle 9 - Execution of Transactions:**

Execution of all ALUK contracts will take place on the BTNL electronic trading platform. Electronic execution provides competitive and transparent transactions. All ALUK contracts will be cleared by Bitnomial Clearinghouse, LLC (“BNCH”), a CFTC-registered derivatives clearing organisation (“DCO”), subject to Commission rules and oversight.

**Core Principle 10 - Trade Information:**

All requisite trade information will be recorded and stored in the audit trail and will be surveilled and monitored in accordance with BTNL Rules.

**Core Principle 11 - Financial Integrity of Transactions:**

All ALUK contracts will be cleared by BNCH, a CFTC-registered DCO, subject to Commission rules and oversight.

**Core Principle 12 - Protection of Markets and Market Participants:**

BTNL Rules have set forth numerous requirements and protections to prevent intermediaries from disadvantaging customers.

**Core Principle 13 - Disciplinary Procedures:**

All ALUK contracts are subject to the protections provided by Chapter 6 of the BTNL Rulebook. Chapter 6 describes the disciplinary procedures of the Exchange that authorize the Exchange to discipline, suspend, or expel Participants that violate Exchange Rules.

**Core Principle 14 - Dispute Resolution:**

Disputes arising from trading of ALUK contracts must be arbitrated in accordance with BTNL Rules found in Chapter 7. All disputes, controversies or claims between or among themselves that relate to or arise out of any contract or otherwise arise out of one or more transactions made or to be made on the Exchange or subject to the Rules and are based upon facts and circumstances that occurred at a time when the parties were Participants or Customers.

## **Certification**

The Exchange has spoken with Clearing Members and market participants who support the decision to launch Avalanche US Dollar Kilo Futures contracts. The Exchange is not aware of any substantive opposing views to the ALUK contracts. The Exchange certifies that the ALUK contracts and related rules certified herein comply with the Commodity Exchange Act and the rules and regulations promulgated thereunder.

The Exchange certifies that this submission has been concurrently posted on the Exchange's website at: <https://bitnomial.com/exchange/regulation/>

If you have any questions or require further information, please contact the undersigned at [james.walsh@bitnomial.com](mailto:james.walsh@bitnomial.com).

Sincerely, /s/

James A. Walsh  
Chief Regulatory Officer  
Bitnomial Exchange, LLC

## Avalanche US Dollar Kilo Futures

Term	Value
Product Name	Avalanche US Dollar Kilo Futures
Product Code	ALUK
Contract Size	1,000 AVAX (Avalanche)
Price Quotation	US Dollars per AVAX
Tick Size	\$0.01 per AVAX
Tick Value	~\$10.00 per contract
Price Band Variation	\$0.24
Price Limit	\$12.0
Position Limit	450
Reportable Position Level	25 contracts
Margin	US Dollars
Settlement Method	Deliverable - Chapter 8 & 11
Settlement Price	Rule 517
Options Product Code	N/A
Options Exercise Style	N/A
Options Strike Price	N/A
Listing Interval	