

December 16, 2025  
BY ELECTRONIC FILING  
Mr. Christopher J. Kirkpatrick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**Re: BTNL 2025-43 - Self-Certification Pursuant to CFTC Regulation 40.6 –  
Bitnomial Exchange, LLC and Bitnomial Clearinghouse, LLC Swap Rules  
Update**

Dear Mr. Kirkpatrick:

Bitnomial Exchange, LLC and Bitnomial Clearinghouse, LLC (collectively, “Bitnomial”) hereby submit for self-certification to the Commodity Futures Trading Commission (the “Commission” or “CFTC”), under Commission regulation 40.6(a), updates to the Bitnomial Rulebook. These updates were made in relation to Bitnomial Clearinghouse, LLC’s December 11, 2025 amended Order of Registration. These changes will become effective on January 5, 2026.

Bitnomial has changed the following rules to enable swap trading and clearing:

*Rule 101 Definitions:* a definition for “Fully Collateralized Swap” was added;

*Rule 304 Compliance with Minimum Financial Requirements, Financial Reporting Requirements, and Requirements Relating to Protection of Customer Funds:* was updated to include information related to swaps.

*Rule 405 Position Limits:* minor updates were made to 405.3;

*Rule 502 Contracts Offered:* 502.3.5 was updated to include information related to swaps;

*Rule 509 Settlement Prices:* 509.6 was updated to include information related to swaps;

*Rule 806 Responsibilities of Clearing Members:* was updated to include information related to swaps;

*Rule 811 Acceptance for Clearing and Novation:* 811.1 was updated to include information related to swaps; and

*Rule 815 Application of Funds:* 815.3 was added to include information related to swaps;

Core Principle Compliance

Bitnomial will continue to comply with all designated contract market (“DCM”) and derivatives clearing organization (“DCO”) Core Principles. Bitnomial has reviewed the Core Principles as set forth under Section 5 of the Commodity Exchange Act, as amended (the “Act”), and determined that the Rulebook and procedure updates may have some bearing on the following DCM and DCO Core Principles:

*Core Principle 4 - Prevention of Market Disruption:* These changes comply with Core Principle 4 and CFTC Regulation 38.251, which expressly provide that a DCM must adopt and implement

rules governing market participants subject to its jurisdiction to prevent, detect, and mitigate market disruptions or system anomalies associated with electronic trading.

Core Principal 7 - *Availability of General Information*: Notification of the rule updates has been posted to <https://bitnomial.com/exchange/regulatory> in compliance with this Core Principal.

Core Principal 12 - *Protection of Markets and Market Participants*: The rule updates will have no impact on Bitnomial's duties to protect its markets and market participants from abusive, disruptive, fraudulent, noncompetitive and unfair conduct and trade practices.

Core Principal 18 - *Recordkeeping*: Bitnomial is committed to its duties to maintain records pertaining to trading in a manner that satisfies the relevant criteria set forth in §1.31 of the Commission's Regulations.

Core Principal 20 - *System Safeguards*: All trading activity will be subject to Bitnomial system safeguards. All trading is subject to risk analysis and oversight to identify and minimize operational risk.

Core Principle 21 - *Financial Resources*: The rule updates will not impact the Bitnomial's ability to discharge its financial, operational, or managerial responsibilities as a DCM.

Core Principle B - *Financial Resources*: Bitnomial will continue to maintain adequate financial resources to discharge its responsibilities as a DCO.

Core Principle D - *Risk Management*: The changes continue to ensure Bitnomial's ability to manage the risks associated with discharging the responsibilities of a DCO, including limiting exposure to potential losses from defaults, and maintaining margin requirements sufficient to cover potential exposures in normal market conditions.

Core Principle E - *Settlement Procedures*: Bitnomial will continue to complete money settlements on a timely basis to reduce risk exposure.

Core Principle F - *Treatment of Funds*: This core principle ensures DCOs properly manage and protect funds held on behalf of Clearing Members and their customers. Bitnomial's updates continue to require Bitnomial to manage and protect all margin payments.

Core Principle L - *Public Information*: Bitnomial is publicly posting this self-certification letter on its website to ensure that market participants receive advance notice of this update.

#### Certification

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), Bitnomial certifies that these changes comply with the Act and regulations thereunder. Bitnomial is not aware of any opposing views to these changes.

Bitnomial certifies that a copy of this submission has been concurrently posted on Bitnomial's website at <https://bitnomial.com/exchange/regulatory>.



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  
Chief Compliance Officer  
Bitnomial Clearinghouse, LLC

# **Bitnomial Exchange, LLC & Bitnomial Clearinghouse, LLC**

## **Rulebook Changes**

## Rule 101: Definitions

The following terms as used in the Rules have the meanings set forth in this Chapter, unless otherwise specifically provided elsewhere in the Rules or required by the context.

- **Account Administrator:** means an officer or employee of a Participant appointed pursuant to Rule 310.
- **Affiliate:** means a Person who directly or indirectly, controls, is controlled by, or is under common control with another Person.
- **Affiliate Participants and Clearing Members:** has a meaning set forth in Rule 1012.
- **API:** means Application Programming Interface, a programmatic software interface.
- **Applicable Law:** means, with respect to any Person, any statute, law, regulation, rule or ordinance of any governmental or self-regulatory authority applicable to such Person, including the CEA and CFTC Rules.
- **Approved Financial Institution:** has the meaning set forth in Rule 803.2.7.
- **Audit Trail:** has the meaning set forth in Rule 510.
- **Authorized User:** means a natural person, authorized by the Exchange as an Authorized User in accordance with Rule 306, who is either employed by or is an agent of a Clearing Member or a Participant.
- **Bankruptcy Code:** means Title 11 of the U.S. Code.
- **Bankruptcy Event:** has the meaning set forth in Rule 818.
- **Block Trade:** means a privately negotiated transaction in a Contract that meets certain quantity thresholds and that is permitted to occur away from the Exchange and reported in accordance with Rule 505.
- **Board:** means the Board of Directors.
- **Board of Appeals:** means a panel comprised of a chair and two individuals appointed by the Board to consider appeals under Chapter 6.
- **Business Day:** means any day on which the Exchange and Clearinghouse are open for trading and clearing.
- **CEA:** means the Commodity Exchange Act, as amended from time to time.
- **CFTC:** means the U.S. Commodity Futures Trading Commission or any successor agency.
- **CFTC Rules:** means the rules, regulations and orders of the CFTC, as amended from time to time.
- **Chairman:** means the Chairman of the Board.
- **Chief Executive Officer:** means the individual appointed by the Board to serve as the chief executive officer.
- **Chief Regulatory Officer:** means the individual appointed by the Board to serve as the chief regulatory officer.
- **Clearinghouse:** means Bitnomial Clearinghouse, LLC, a Delaware limited liability company registered by the CFTC as a derivatives clearing organization that is designated by the Exchange to provide clearing services with respect to any or all of the Contracts.
- **Clearinghouse Official:** means any Officer or Employee of the Clearinghouse and any member of the Board, a committee established by the Board, a Hearing Panel or Board of Appeals.

- **Clearing Member:** means an entity meeting the requirements of, and approved for, clearing membership at the Clearinghouse that is authorized pursuant to the Rules to clear trades in any or all Contracts. Except for those Clearing Members that clear solely for their own proprietary accounts (each, an Individual Clearing Member), all other Clearing Members must be registered with the CFTC as FCMs (each, an FCM Clearing Member).
- **Clearing Member Agreement:** means an agreement between the Clearinghouse and a Clearing Member which must be signed in order for a Clearing Member to have access to the Clearinghouse for clearing services with respect to any or all of the Contracts.
- **Close-Out Value:** has the meaning set forth in Rule 818.
- **Collateral:** means such property as may be delivered by a Clearing Member to the Clearinghouse as collateral for the obligations of such Clearing Member to the Clearinghouse (including but not limited to Initial Margin and Variation Margin), and all proceeds of the foregoing and all proceeds of any of the foregoing, held in or for the accounts of a Clearing Member in connection with the financial obligations of such Clearing Member, however created, arising or evidenced, whether direct or indirect, absolute or contingent, existing, due or to become due. A list of Collateral accepted by the Clearinghouse is available on the Website.
- **Compliance Department:** has the meaning set forth in Rule 602.
- **Contract:** means any contract, agreement, or transaction approved for trading on the Exchange or for clearing by the Clearinghouse and pursuant to the Rules.
- **Contract Specifications:** means the descriptions of the contractual items for each Contract as set forth in the document available on the Website.
- **CPT:** means Central Prevailing Time.
- **Customer:** means any Person for whom a Participant carries an account (other than such Participant or any of its affiliates) or from whom a Participant solicits or accepts an order.
- **Customer Account:** means an account established by a Clearing Member with the Clearinghouse in which the Clearing Member maintains trades, positions and Margin solely for Customers of the Clearing Member.
- **Daily Settlement Price:** has the meaning set forth in Rule 509.
- **Director:** means an individual serving on the Board.
- **Disciplinary Action:** has the meaning set forth in Rule 601.
- **Disciplinary Committee:** means a function of the Compliance Department to fulfill various adjudicative responsibilities and duties described in Rule 602.
- **Emergency:** means the occurrences or circumstances which, in the opinion of the Board, require immediate action to be taken in accordance with Rule 213.
- **Exchange:** means Bitnomial Exchange, LLC, a Delaware limited liability company designated by the CFTC as a designated contract market.
- **Exchange Official:** means any Officer or employee of the Exchange and any member of the Board, a committee established by the Board, a Hearing Panel or Board of Appeals.
- **Exchange Transaction:** means a Contract executed through the Trade Matching Engine.
- **Expiry:** means the Contract date of expiration.
- **FCM:** means a futures commission merchant as defined in the CEA and CFTC Rules and registered with the CFTC as such.

- **Fully Collateralized Swap:** means a swap contract cleared by the Clearinghouse that requires the Clearinghouse to hold, at all times, funds in the form of the required payment sufficient to cover the maximum

[possible loss that a party or counterparty could incur upon liquidation or expiration of the contract, as defined in 17 CFR § 39.2.](#)

- **FDICIA:** has the meaning set forth in Rule 818.
- **Final Settlement Price:** means the price for each Contract supplied by the Exchange to the Clearinghouse as the Final Settlement Price for the Expiry as specified in Rule 509.
- **Governmental Authority:** means any domestic or foreign government (or political subdivision), governmental or regulatory authority, agency, court, commission or other governmental or regulatory entity (including any Self-Regulatory Organization).
- **Guaranty Fund:** means fund comprising the monies, securities and instruments capitalized by Clearinghouse, which fund shall be used as provided in Rule 815 to reimburse the Clearinghouse for losses sustained by the Clearinghouse as a result of the failure of any Clearing Member to discharge its financial obligations in accordance with the Rules.
- **House Account:** has the meaning set forth in CFTC Rule 39.2.
- **Initial Margin:** means the initial amount of Collateral that must be deposited with or paid to the Clearinghouse by Clearing Members in accordance with the Rules as a performance bond in respect of the Contracts held in any house account and customer accounts of such Clearing Members.
- **Investigation Team:** means a group within the Compliance Department, whose function is to fulfill the investigative and enforcement responsibilities described in Rule 602.
- **Last Trading Day:** means the last day a Contract may be traded as defined in Rule 502.
- **Liquidity Event:** has the meaning given to it in Rule 809.
- **LLC Agreement:** means the Limited Liability Company Agreement of the Exchange and Clearinghouse as amended or restated from time to time.
- **Margin:** means Initial Margin and Variation Margin or either of them.
- **NFA:** means the National Futures Association.
- **Official:** means an Exchange Official and a Clearinghouse Official.
- **Officer:** has the meaning given to it in Rule 203.
- **Order:** means any order to buy or sell a Contract on or subject to the Rules of the Exchange.
- **Participant:** means an entity that has signed the Participant Agreement for purposes of entering into Transactions for its own account or accesses the Exchange on behalf of a Customer. In addition, a Clearing Member who does not enter into Transactions for its own account shall be deemed to be a Participant hereunder solely for the purpose of accessing the Exchange in order to liquidate Transactions and any resulting positions previously submitted to the Clearinghouse for the account of such Clearing Member on behalf of a Participant that is in default for failure to perform its obligations to the Exchange or such Clearing Member (to the extent applicable).
- **Participant Agreement:** means an agreement between the Exchange and a Participant which must be signed in order for a Participant to have access to the Exchange for the execution of trades involving commodity derivative products and related financial instruments.
- **Perpetual Futures:** means a futures contract with a quarter-century expiration that is perpetually priced, margined, and settled every eight (8) hours based on the implied spot price of the Settlement Price futures contract, as specified in the product specifications.
- **Person:** means an individual, sole proprietorship, partnership, limited liability company, association, firm, trust, corporation or other entity, as the context may require.
- **Position Transfer:** means a transaction in a Contract(s) that is executed by the Exchange or the Clearinghouse personnel for administrative purposes outlined in Rule 507.

- **Price Bands:** mean a price range for aggressive orders based on the last top-of-book price as defined in Rule 504.3.1.
- **Price Limits:** mean a price range at which new Orders will be accepted as defined in Rule 504.3.2.
- **Public Director:** means a Director having the qualifications set out in Rule 202.
- **Regulatory Services Agreement:** means the agreement(s) between the Exchange or the Clearinghouse and the Regulatory Service Provider(s) whereby certain functions mandated under the CEA, such as market monitoring and trade practice surveillance, are delegated to the Regulatory Services Provider(s).
- **Regulatory Services Provider:** means NFA and such other organizations, if any, that provide regulatory services to the Exchange or the Clearinghouse, together with any such organization's employees and agents.
- **Requirements:** means the Rules; other requirements implemented by the Exchange or the Clearinghouse pursuant to the Rules; each term of a Contract; and the documentation and other contractual obligations between a Participant (including its Authorized Users) and the Exchange or a Clearing Member and the Clearinghouse.
- **Respondent:** means a Participant under investigation for alleged Rule violation(s) or against which charges have been filed.
- **Rule:** means any rule, interpretation, stated policy, or instrument corresponding to any of the foregoing, including these Rules, in each case as adopted from time to time by the Exchange or the Clearinghouse.
- **Self-Regulatory Organization:** has the meaning given to such term in CFTC Rule 1.3(ee) and includes a derivatives clearing organization that is registered as such with the CFTC.
- **Settlement Bank:** means a bank that maintains an account either for the Clearinghouse or for any of its Clearing Members, which is used for the purpose of any settlement activity described in 17 CFR § 39.14.
- **Settlement Facility:** means a facility authorized by the Exchange for the delivery or transfer of underlying assets for physically settled Contracts. For delivery of Digital Asset futures, the Settlement Facility is Bitnomial Settlement, LLC, or any successor organization authorized by the Exchange. Bitnomial Settlement, LLC is authorized by the Exchange and not licensed, approved, or registered with the CFTC. For delivery of Digital Asset spot, the Settlement Facility is Bitnomial Clearinghouse, LLC.
- **Settlement Price:** means the price for each Contract supplied by the Exchange to the Clearinghouse at the end of each trading day (Daily Settlement Price) or at the end of the Final Settlement Period on the expiration day of the Contract (Final Settlement Price).
- **Surveillance Team:** means the group within the Compliance Department that is responsible for real-time and post-trade surveillance of the Exchange's trading systems, as described in Rule 602.
- **Trade Matching Engine:** means the set of algorithms through which Orders are matched.
- **Trade Risk Limit:** has the meaning set forth in Rule 504.
- **Trading Account:** means a trading account to be separately tracked and margined by a Participant's Clearing Member.
- **Trading Account ID:** means an Exchange assigned ID that represents a Trading Account for use by the Clearinghouse and its Clearing Members.
- **Market Hours:** means, for any Business Day, the hours specified on the trading calendar on the Website and the hours specified in Rule 501.
- **Trading Platform:** means the electronic trading facility operated by the Exchange to provide Participants with the ability to execute Exchange Transactions from the interaction of multiple bids and



multiple offers within a predetermined, nondiscretionary automated trade matching and execution algorithm.

- **Transaction:** means an Exchange Transaction.
- **Variation Margin:** means on the Business Day a Contract has been accepted for clearing by the Clearinghouse, the difference between the price at which such Contract was bought or sold and the Settlement Price for such Contract; obligations to pay, as applicable, any settlement variation payment and other Contract-related payments due including options premiums and upfront fees; and thereafter, the difference, as applicable, between: the Settlement Price on a given Business Day and the preceding Settlement Price for such Contract, or the price at which such Contract was closed on the books of the Clearinghouse and the preceding Settlement Price for such Contract.
- **Website:** means [bitnomial.com/exchange](http://bitnomial.com/exchange).

## **Rule 304: Compliance with Minimum Financial Requirements, Financial Reporting Requirements, and Requirements Relating to Protection of Customer Funds**

1. Participants and Clearing Members shall comply with Commission Regulations relating to minimum financial requirements, financial reporting requirements, and protection of customer funds, including Commission Regulations 38.605 and 1.52 and those Commission Regulations specified herein.
2. Any Participant or Clearing Member subject to Commission Regulation 1.10 - Financial Reports of Futures Commission Merchants and Introducing Brokers- that violates Commission Regulation 1.10 shall be deemed to have violated this Rule 304.2. A copy of any notice or written report that a Participant or Clearing Member is required to file with the Commission pursuant to Commission Regulation 1.10 must also be filed with the Exchange within the time periods proscribed for such filing or delivery in CFTC Regulation 1.10.
3. Any Participant or Clearing Member subject to Commission Regulation 1.11 – Risk Management Program for Futures Commission Merchants- that violates Commission Regulation 1.11 shall be deemed to have violated this Rule 304.3.
4. Any Participant or Clearing Member subject to Commission Regulation 1.12 - Maintenance of Minimum Financial Requirements by Futures Commission Merchants and Introducing Brokers- that violates Commission Regulation 1.12 shall be deemed to have violated this Rule 304.4. A copy of any notice or written report that a Participant or Clearing Member is required to file with the Commission pursuant to Commission Regulation 1.12 must also be filed with the Exchange within the time periods proscribed for such filing or delivery in CFTC Regulation 1.12.
5. Any Participant or Clearing Member subject to Commission Regulation 1.17- Minimum Financial Requirements for Futures Commission Merchants and Introducing Brokers- that violates Commission Regulation 1.17 shall be deemed to have violated this Rule 304.5.
6. Any Participant or Clearing Member subject to Commission Regulation 1.18- Records for and relating to Financial Reporting and Monthly Computation by Futures Commission Merchants and Introducing Brokers- that violates Commission Regulation 1.18 shall be deemed to have violated this Rule 304.6.
7. Any Participant or Clearing Member subject to Commission Regulation 1.20 – Futures Customer Funds to Be Segregated and Separately Accounted For- that violates Commission Regulation 1.20 shall be deemed to have violated this Rule 304.7.
8. Any Participant or Clearing Member subject to Commission Regulation 1.21- Care of Money and Equities Accruing to Customers- that violates Commission Regulation 1.21 shall be deemed to have violated this Rule 304.8.
9. Any Participant or Clearing Member subject to Commission Regulation 1.22- Use of Futures Customer Funds Restricted- that violates Commission Regulation 1.22 shall be deemed to have violated this Rule 304.9.
10. Any Participant or Clearing Member subject to Commission Regulation 1.23- Interest of Futures Commission Merchants in Segregated Futures Customer Funds; Additions and Withdrawals- that violates Commission Regulation 1.23 shall be deemed to have violated this Rule 304.10.
11. Any Participant or Clearing Member subject to Commission Regulation 1.24- Segregated Funds; Exclusions Therefrom- that violates Commission Regulation 1.24 shall be deemed to have violated this Rule 304.11.
12. Any Participant or Clearing Member subject to Commission Regulation 1.25- Investment of Customer Funds- that violates Commission Regulation 1.25 shall be deemed to have violated this Rule 304.12.
13. Any Participant or Clearing Member subject to Commission Regulation 1.26- Deposit of Instruments Purchased with Futures Customer Funds- that violates Commission Regulation 1.26 shall be deemed

to have violated this Rule 304.13.

14. Any Participant or Clearing Member subject to Commission Regulation 1.27- Record of Investments- that violates Commission Regulation 1.27 shall be deemed to have violated this Rule 304.14.
15. Any Participant or Clearing Member subject to Commission Regulation 1.28- Appraisal of Instruments Purchased with Customer Funds- that violates Commission Regulation 1.28 shall be deemed to have violated this Rule 304.15.
16. Any Participant or Clearing Member subject to Commission Regulation 1.29- Gains and Losses Resulting from Investment of Customer Funds- that violates Commission Regulation 1.29 shall be deemed to have violated this Rule 304.16.
17. Any Participant or Clearing Member subject to Commission Regulation 1.30- Loans by Futures Commission Merchants; Treatment of Proceeds- that violates Commission Regulation 1.30 shall be deemed to have violated this Rule 304.17.
18. Any Participant or Clearing Member subject to Commission Regulation 1.31- Regulatory Records; Retention and Production- that violates Commission Regulation 1.31 shall be deemed to have violated this Rule 304.18.
19. Any Participant or Clearing Member subject to Commission Regulation 1.32- Reporting of Segregated Account Computation and Details Regarding the Holding of Futures Customer Funds- that violates Commission Regulation 1.32 shall be deemed to have violated this Rule 304.19.
20. Any Participant or Clearing Member subject to Commission Regulation 22.2- \*Requirements for Segregation of Cleared Swaps Customer Collateral\*- that violates Commission Regulation 22.2 shall be deemed to have violated this Rule 304.20.
21. Any Participant or Clearing Member subject to Commission Regulation 22.3- \*Cleared Swaps Customer Collateral to Be Segregated and Separately Accounted For\*- that violates Commission Regulation 22.3 shall be deemed to have violated this Rule 304.21.
22. Any Participant or Clearing Member subject to Commission Regulation 22.5- \*Segregation Acknowledgment Letter Requirements\*- that violates Commission Regulation 22.5 shall be deemed to have violated this Rule 304.22.
23. Any Participant or Clearing Member subject to Commission Regulation 22.11- \*Investment of Cleared Swaps Customer Collateral\*- that violates Commission Regulation 22.11 shall be deemed to have violated this Rule 304.23.
24. Any Participant or Clearing Member subject to CEA section 4d(f) - \*Cleared Swaps Customer Collateral Protection\*- that violates CEA section 4d(f) shall be deemed to have violated this Rule 304.24.

## Rule 405: Position Limits

1. The Exchange may adopt and require Participants to adhere to position limits for Contracts. If so adopted, the Exchange may, in its sole discretion, grant exemptions from position limits for bona fide hedging transactions and positions in accordance with CFTC Rules. A Person seeking an exemption from position limits must apply to the Compliance Department in the form and manner required by the Exchange.
2. The CFTC may also from time to time establish position limits for Contracts traded pursuant to these Rules. For any such Contract subject to a position limit set by the CFTC, the Exchange shall not set its position limit at a level higher than the CFTC's limit.
3. For purposes of aggregation, no market participant shall own or control any combination of ~~futures~~futures, options, and ~~options~~cleared swaps contracts that exceeds the contract specification's net long or short in any single contract month. In determining whether any market participant has exceeded the position limits, all positions in accounts for which such market participant by power of attorney or otherwise directly or indirectly holds positions or controls trading will be included with the positions held by such market participant. Position limits will apply to positions held by two or more market participants acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by a single market participant.
4. The position limit levels for those Contracts with position limits are set forth in the product rules.

## Rule 502: Contracts Offered

1. **Contracts/Expiries.** Contract Specifications are set forth on the Website. Contract Specifications are subject to revision or amendment from time to time. Revised Contract Specifications may be listed for trading by self-certification in accordance with CFTC Rule 40.2, sent electronically to the CFTC for receipt by the open of business on the business day preceding the Contract's listing, which shall include:
  1. a description of the Contract and its rules related to its terms and conditions,
  2. the intended listing date,
  3. certification by the Exchange that the Contract to be listed complies with the CEA and the CFTC Rules thereunder,
  4. a concise explanation and analysis of the product and its compliance with applicable provisions of the CEA, including core principles, and the CFTC Rules thereunder, including supporting documentation, and
  5. certification that the Exchange posted a notice of pending product certification with the Commission on its Website with a copy of the submission, with confidential treatment requests as appropriate. The Exchange will permit trading only in Contracts that are not readily susceptible to manipulation.
2. **New Contracts.** To offer new products, the Exchange may request that the CFTC approve a new product prior to listing the product for trading. The submission to the CFTC shall be filed electronically in accordance with CFTC Rules 40.3 and include:
  1. a description of the product with the rules that set forth the Contract's terms and conditions,
  2. an explanation and analysis of the product and its compliance with applicable provisions of the CEA, including core principles, and the CFTC Rules thereunder, including documentation relied upon to establish the basis for compliance with the applicable law, or incorporate information contained in such documentation, with appropriate citations to data sources,
  3. description of any agreements or Contracts entered into with other parties that enable the Exchange to carry out its responsibilities,
  4. certification that the Exchange posted on its Website a notice of its request for CFTC approval of the new product with a copy of the submission,
  5. a request for confidential treatment as permitted under CFTC Rule 40.8, if appropriate, and
  6. the filing fee required in accordance with CFTC Rules. If requested by CFTC staff, the Exchange will provide evidence, information or data demonstrating that the Contract meets, initially or on a continuing basis, the requirements of the CEA, or other requirements for designation or registration under the CEA or the CFTC Rules thereunder. The Exchange shall submit the requested information by the open of business on the date that is two business days from the date of request by CFTC staff, or at the conclusion of such extended period agreed to by CFTC staff after timely receipt of a written request from the Exchange.
3. **Contract Listing.**
  1. **Futures.** The Exchange may list up to twelve consecutive Contract expiries for all non-Perpetual Futures.
  2. **Perpetual Futures.** The Exchange may list up to two quarter-century Perpetual Futures expiries per Contract, with the further dated Contract listed no sooner than one year prior to the next-to-expire Contract expiry.
  3. **Options.** The Exchange may list options with at least one strike at the underlying Contract's previous Settlement Price, rounded down to the nearest minimum strike interval. The Exchange may list additional strikes, at its discretion, on any trading day.
  4. **Spot.** The Exchange may list spot Contracts that are offered subject to Rule 514.
  5. **Swaps.** The Exchange may list Fully Collateralized Swaps that are accepted for clearing by the Clearinghouse.

4. **Contract Trading Termination.** Trading in a Contract shall terminate (“Trading Termination”) on the Last Trading Day and time as follows or as otherwise specified in the Contract Specifications. If the Last Trading Day is not both a London and U.S. business day, trading terminates on the prior London or U.S. business day.
1. **Futures:** 10:00 CPT on the trading day on the last Friday of the expiry month.
  2. **Options:** 15:00 CPT on the trading day six business days prior to Trading Termination of the underlying.
5. **Options Exercise.** Options expiry is European style unless otherwise specified in the Contract Specifications. Following Trading Termination, any options Contract that is in the money shall be automatically exercised by the Clearinghouse and any options Contract that is out of the money shall be abandoned by the Clearinghouse. For the avoidance of doubt, no such options Contract that expires in the money may be abandoned, and no such options Contract that expires out of the money may be exercised.

# Rule 509: Settlement Prices

## 1. Definitions

- **Daily Settlement Period:** 14:55-15:00 CPT
- **Final Settlement Period:** Five minutes prior to Trading Termination
- **Settlement Period:** Daily or Final Settlement Period
- **Implied Spot Price:** The spot price implied by the futures curve.
- **Floating Market Price:** The first available of the following methods:
  1. The volume-weighted average price (VWAP) of all the trades during the Settlement Period.
  2. The time-weighted average price (TWAP) of the bid-ask spread midpoint during the Settlement Period.
  3. The price implied from the futures or options curve of which the Contract is a constituent:
    - **Futures:** Futures curve interpolation.
    - **Options:** Black-Scholes model based on the Settlement Price and 30-day volatility of the underlying Contract.
  4. The Contract's previous day's Settlement Price.
  5. Market data sources deemed acceptable by the Exchange.

2. **Daily Settlement.** The Exchange will provide the Clearinghouse with Settlement Prices at least once per day. The Daily Settlement price shall be determined at the end of the Daily Settlement Period.

3. **Final Settlement.** The Exchange will provide the Clearinghouse with the Final Settlement Prices at the end of the Final Settlement Period on the expiration day of the Contract.

4. **Sole Discretion.** The Exchange has sole discretion to determine an alternative Settlement Price if the stated Settlement procedure produces prices which are not representative of the fair value of the Contract. The Exchange reserves the right to adjust Daily and Final Settlement Prices as it deems necessary based on current market conditions or otherwise.

5. **Tick Alignment.** All Settlement Prices are rounded to the nearest tick.

## 6. Futures [& Swaps](#) Settlement Prices

### 1. Physically (Delivery) Settled

- **Daily:** The Floating Market Price.
- **Final:** The Floating Market Price.

### 2. Financially (Cash) Settled

- **Daily:** The Floating Market Price.

### 3. Perpetually Settled.

- **Daily:** The median of (1) the Implied Spot Price, (2) the Floating Market Price, and (3) the Implied Spot Price plus the simple moving average.
- **Final:** The Implied Spot Price.

## 7. Options Settlement Prices

- **Daily:** The Floating Market Price.
- **Final:** The underlying Settlement Price.

## Rule 806: Responsibilities of Clearing Members

Each Clearing Member shall, and where applicable, shall cause all of its employees and agents to:

1. ensure that all funds deposited with the Clearinghouse on behalf of futures and futures options Customers of a Clearing Member shall be held in an account identifiable as "Customer Segregated" in accordance with the CEA and CFTC Rule 1.20, as [amended, and ensure that all funds deposited with the Clearinghouse on behalf of cleared swaps Customers of a Clearing Member shall be held in an account identifiable as "Cleared Swaps Customer Collateral" in accordance with the CEA and CFTC Rule 22.2 and CEA and CFTC Rule 22.3, as amended. Additionally, fulfill the segregation acknowledgment letter requirements as per CEA and CFTC Rule 22.5 for Customer deposits.](#) These funds must be segregated from other funds and treated as belonging to the respective Customers. Notwithstanding the foregoing, Section 2(c)(2)(D) of the CEA does not incorporate Section 4d customer fund segregation requirements, and therefore cleared spot customer funds are not treated as segregated customer funds under Section 4d.
2. ensure that the investment of all funds deposited with the Clearinghouse on behalf of Customers of a Clearing Member complies with the investment standards of the CEA and CFTC Rule 1.25, as amended, including, but not limited to, concentration limits and permitted investments;
3. comply with and act in a manner consistent with the Rules and any rules of or agreement with a settlement facility, as applicable;
4. ensure that all clearing activity conducted by the Clearing Member is performed in a manner that is consistent with the Rules;
5. ensure that only the Clearinghouse's facilities are used to conduct clearing business pursuant to the Rules or which is required to be conducted pursuant to the Rules;
6. ensure that the Clearinghouse's facilities are used in a responsible manner and are not used for any improper or wrongful purpose;
7. meet all financial requirements required under the Rules;
8. guarantee and assume complete responsibility for all Contracts submitted by it or which it has authorized another Person to submit for clearing in its name;
9. observe high standards of integrity, market conduct, commercial honor, fair dealing and just and equitable principles of trade in the conduct of its clearing business with the Clearinghouse in the conduct of its business as a Clearing Member or any aspect of any business connected with or concerning the Clearinghouse;
10. immediately inform the Clearinghouse of any changes to the account information provided by the Clearing Member;
11. keep User IDs and passwords confidential;
12. promptly review and, as necessary, respond to all communications issued by the Clearinghouse;
13. keep, or cause to be kept, complete and accurate books and records as required to be maintained pursuant to the CEA and CFTC Rules for the time and in the manner specified by CFTC Rules; and make such books and records available for inspection by a representative of the Clearinghouse, the CFTC and other Governmental Authority of competent jurisdiction;
14. not knowingly mislead or conceal any material fact or matter in any dealings or filings with the Clearinghouse or in connection with a disciplinary action;
15. be responsible, even after it has withdrawn as a Clearing Member, for any violations of Rules committed by it while it was a Clearing Member;
16. cooperate with the Clearinghouse and any Governmental Authority in any inquiry, investigation, audit, examination or proceeding;



17. adopt, adhere to and enforce risk management and other policies and procedures that are designed to address the risks that the Clearing Member poses to the Clearinghouse and promptly provide, upon request by the Clearinghouse or the CFTC, information related to the risk management policies, procedures and practices of the Clearing Member;
18. coordinate with the Clearinghouse to develop and test business continuity and disaster recovery plans that enable effective resumption of daily processing, clearing and settlement following a disruption;~~and~~
19. develop and implement a written compliance program approved in writing by senior management of such Clearing Member that is reasonably designed to achieve and monitor the Clearing Member's compliance with all applicable requirements of the Bank Secrecy Act (31 U.S.C. § 5311 et seq.), the International Emergency Economic Powers Act (50 U.S.C. § 1701 et seq.) ("IEEPA"), the Trading with the Enemy Act (50 U.S.C. App. § 1 et seq.) ("TWEA"), and the Executive Orders and Rules issued pursuant thereto, including the Rules issued by the U.S. Department of the Treasury and, as applicable, the CFTC. The compliance program shall, at a minimum:
  1. establish and implement policies, procedures and controls reasonably designed to assure compliance with all applicable provisions of the Bank Secrecy Act, IEEPA, TWEA, and all applicable Executive Orders and Rules issued pursuant thereto;
  2. provide for independent testing for compliance to be conducted by Clearing Member personnel or by a qualified outside party;
  3. designate an individual or individuals responsible for implementing and monitoring the day-to-day operations and internal controls of the program;~~4-~~ and 4. provide ongoing training for appropriate ~~personnel~~personnel; and

20. ensure that sufficient collateral is on deposit with the Clearinghouse to cover the maximum possible loss for any Fully Collateralized Swap position prior to holding such position, in accordance with 17 CFR § 39.2.

## Rule 811: Acceptance for Clearing and Novation

1. **Acceptance for Clearing.** The Clearinghouse will coordinate with the Exchange and Clearing Members to accept or reject Contracts for clearing as quickly after execution as technologically practicable. The Clearinghouse will accept Contracts for clearing when such Contracts have been received by the Clearing System if the parties to such Contracts have clearing arrangements in place and have satisfied any applicable risk limits imposed by the Clearing Member, the Exchange or the Clearinghouse. For Fully Collateralized Swaps, the Clearinghouse shall ensure as quickly after execution as technologically practicable that the Clearing Member has sufficient collateral to fully collateralize the position prior to accepting the Contract for clearing. Any Contract that breaches pre-collateralized funding requirements will be rejected by the Clearinghouse and cancelled by the Exchange. Subject to the foregoing, the Clearinghouse shall accept for clearing any Contract that has been executed pursuant to the Rules and submitted by the Exchange to the Clearinghouse for clearance, and shall not accept for clearing any Exchange Contract submitted to it by any Person other than the Exchange. All Contracts accepted for clearing by the Clearinghouse shall be subject to these Rules.
2. **Novation.** The Clearinghouse, by accepting a Contract offered to it for clearing, shall assume, in the place of each Clearing Member that is a party to such Exchange Contract, all liabilities and obligations imposed by such Exchange Contract to the Clearing Member that is the other party thereto and shall succeed to and become vested with all rights and benefits accruing therefrom. Such assumption by the Clearinghouse shall terminate all liabilities and obligations of the Clearing Member whose Contract is so accepted to the other Clearing Member which was a party to such Contract.
3. **Reliance on Information.** The Clearinghouse shall be entitled to rely conclusively on the accuracy and authenticity of any information regarding any Contract submitted to the Clearinghouse by the Exchange on behalf of a Clearing Member, whether or not the Clearing Member in fact authorized the submission of such Contract for clearing.
4. **Offsetting Transactions.** Where, as the result of novation under this Rule, a Clearing Member has bought and sold Contracts for the same account with the same expiry or a put or call option with the same strike price and expiry, such purchase and sale will be offset by the Clearinghouse. Such a Clearing Member shall be required to pay the loss or entitled to collect the profit, as the case may be, upon such offsetting transactions, and shall have no further rights or be under any further obligation with respect thereto. For purposes of this Rule, the first Contract made shall be deemed the first Contract offset.

## Rule 815: Application of Funds

1. **Default Management.** In the event of a Clearing Member default, all such Clearing Member's segregated customer accounts shall be auctioned according to Clearinghouse procedures. The financial amounts, if any, resulting from such auction shall be applied as follows to reduce or any eliminate any financial shortfall:
  1. **Defaulting Clearing Member.** First, the financial amounts generated from the auction shall be applied to cover the shortfall. The Clearinghouse may make immediate demand upon any guarantor of the defaulting Clearing Member.
  2. **Clearinghouse.** Second, the Clearinghouse Guaranty Fund contribution shall be applied to cover any remaining shortfall.
  3. **Non-Defaulting Clearing Members.** Third, each non-defaulting Clearing Member's guaranty fund contribution, if any, shall be assessed up to a maximum of \$1,000,000 of the remaining shortfall and Guaranty Fund replenishment based on each Clearing Member's pro rata share of Margin requirements in relation to the Clearinghouse's aggregate Margin requirements. A Clearing Member that does not satisfy any such assessment shall be in default.
  4. **Contract Extinguishment.** Fourth, the Clearinghouse may partially or fully extinguish Contracts.
2. **Segregated Customer Collateral.** The Clearinghouse shall not apply segregated customer collateral to any payment obligations or losses arising from a default in any proprietary account or a different customer account class.
3. **Fully Collateralized Swaps.** For Fully Collateralized Swaps, the Clearinghouse shall hold, at all times, funds in the form of the required payment sufficient to cover the maximum possible loss that a party or counterparty could incur upon liquidation or expiration of the contract. The default management waterfall specified in Section 1 and Guaranty Fund do not apply to Fully Collateralized Swaps.