

May 1, 2026  
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 2026-34 - Self-Certification Pursuant to CFTC Regulation 40.6 –  
Bitnomial Exchange, LLC and Bitnomial Clearinghouse, LLC Clearing  
Member and Board of Trade 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), the following updates to the Bitnomial Rulebook. The changes amend Rules related to Bitnomial’s non-FCM Clearing Members and facilitating clearing of trades on third-party boards of trade. This filing also includes confidential non-FCM Clearing Member application materials. These updates will become effective on May 18, 2026.

Bitnomial has determined to update to the following rules which are included as Exhibit 1:

*Rule 101 Definitions;*  
*Rule 602: Process Considerations;*  
*Rule 801: Clearing;*  
*Rule 803: Clearing Members;*  
*Rule 804: Application for Clearing Membership;*  
*Rule 805: Withdrawal of Clearing Membership;*  
*Rule 811: Acceptance for Clearing and Novation;*  
*Rule 813: Settlement and Delivery;*  
*Rule 817: Close-Outs;*  
*Rule 818: Close-Out Netting;*  
*Rule 820: Margins and Liquidations;*  
*Rule 823: Clearing Fees; and*  
*Rule 824: Public Information.*

Exhibit 2: Confidential non-FCM Clearing Member application materials; and  
Exhibit 3: FOIA Request.

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 Principle 5 – Position Limitations or Accountability:* These changes comply with Core Principle 5 which requires limits or accountability levels, exemption standards, aggregation rules, and surveillance to prevent excessive speculation and manipulation.

*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 C – Participant and Product Eligibility:* The amended rules continue to comply with DCO Core Principle C by maintaining comprehensive admission and continuing eligibility standards for all Clearing Members, including minimum financial standing, operational capability, and compliance with applicable CEA and CFTC requirements.

*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

## Rulebook: Bitnomial Exchange, LLC & Bitnomial Clearinghouse, LLC Rulebook

By ~~accessing, initiating, executing, or entering~~clearing any ~~order into,~~transaction on or subject to the Rules of the Exchange or the Exchange, Clearinghouse, and without any need for any further action, undertaking or agreement, each Participant, Authorized User, Customer and Clearing Member agrees: (1) to be bound by, and comply with, the Rules and Applicable Law, in each case to the extent applicable, and (2) to become subject to the jurisdiction of the Exchange and the Clearinghouse with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Participant, Authorized User, Customer or Clearing Member.

## 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~~ [Directors of the Exchange and the Clearinghouse, which serves as a single governing body for both entities.](#)
- **Board of Appeals:** means a panel comprised of a chair and two individuals appointed by the Board to consider appeals under Chapter 6.
- **Board of Trade:** [means a board of trade as defined in CEA Section 1a\(6\) that has been approved by the Clearinghouse for the submission of Contracts for clearing, including the Exchange.](#)
- **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.
- **Chair:** means the Chair 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 pursuant to Rule 803 that is authorized pursuant to the Rules to clear Contracts.
- **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:** [means the price for each Contract supplied by the Board of Trade to the Clearinghouse at the end of each trading day. For Exchange Contracts,](#) 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.
- **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 Board of Trade](#) to the Clearinghouse as the Final Settlement Price for the ~~Expiry as specified~~ [Expiry. For Exchange Contracts, has the meaning set forth](#) 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 Contracts for its own account or accesses the Exchange on behalf of a Customer. In addition, a Clearing Member who does not enter into Contracts for its own account shall be deemed to be a Participant hereunder solely for the purpose of accessing the Exchange in order to liquidate Contracts 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 [or Clearing Member](#) 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 Board of Trade](#) 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 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.
- **Transaction:** means a Contract executed on ~~the Exchange~~ [a Board of Trade](#).
- **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 602: Process Considerations

1. **Compliance Department.** The Compliance Department is appointed and authorized by the Chief Executive Officer of the Exchange to provide market surveillance, investigation and enforcement of trading activities on the Exchange to ensure compliance with Exchange and Clearinghouse Rules and applicable laws. The Compliance Department has three primary functions:
  2. The Surveillance Team is responsible for real-time and post-trade surveillance of the Exchange's trading systems. Members of the Surveillance Team respond to real-time alerts to ensure the integrity of the markets. The Surveillance Team identifies actions or omissions that may indicate a possible basis for finding that a violation of Exchange or Clearinghouse Rules has occurred or will occur.
  3. Investigations and enforcement are conducted by the Investigation Team. The Investigation Team is comprised of Exchange employees and/or persons hired on a contract basis, except for Exchange Participants, Clearing Members or other Persons whose interests conflict with enforcement duties. The Investigation Team may not operate under the direction or control of any person(s) with trading privileges. The Investigation Team is authorized, among other things, to:
    1. initiate and conduct investigations;
    2. prepare investigative reports and make recommendations concerning initiating disciplinary proceedings;
    3. participate in settlement discussions with respondents and recommend settlement sanctions to the Disciplinary Committee;
    4. prosecute alleged violations within the Exchange's or Clearinghouse's disciplinary jurisdiction.
3. The Disciplinary Committee is appointed by the Board at the recommendation of the Chief Regulatory Officer and shall be comprised of not less than three individuals from among Participants, Clearing Members and other Persons with knowledge and experience in the financial markets, who are not involved in the conduct giving rise to the alleged Rule violations.
4. **Third-Party Enforcement.** The Exchange or Clearinghouse may delegate any of its rights and responsibilities herein to a Regulatory Services Provider.
5. **Expense Liability.** At the discretion of the ~~Exchange~~, [Exchange or the Clearinghouse](#), any Participant or Clearing Member found in violation of the Rules may be required to pay to the Exchange [or the Clearinghouse, as applicable](#), any and all expenses incurred as a result of the investigation of the violation and prosecution of the Participant or Clearing Member. This assessment is in addition to any monetary fines imposed for the Rule violation(s).

## Rule 801: Clearing

1. ~~Applicability.~~ Applicability. Contracts shall be cleared through the Clearinghouse in accordance with the Rules. The Clearinghouse shall accept for clearing Contracts submitted by a Board of Trade and shall not accept Contracts submitted by any other Person. The clearing services provided by the Clearinghouse with respect to any Contract, and the rights and obligations of purchasers and sellers under cleared Contracts (including rights and obligations in respect of clearing and settlement, Margin payments and performance at maturity), will be governed by the Rules.
2. ~~Immediately upon execution of an Exchange Transaction as provided in Rule 504.8, such Transaction~~ Rejection and Suspension. The Clearinghouse shall ~~be discharged~~ have the right to reject Contracts and novated to suspend clearing of such Contracts without notice, in accordance with the ~~Rules. Open positions in any Contract may only be offset by opposite Transactions in the same Contract that are executed on~~ Rules of the Exchange. Clearinghouse.
3. ~~The Clearinghouse shall have the right to reject Contracts that arise from Transactions~~ Novation and ~~to suspend~~ Offsetting. Contracts shall be novated upon acceptance for clearing ~~of such Transactions without notice,~~ by the Clearinghouse in accordance with Rule 811. Open positions in a Contract may be offset by opposite positions in the ~~Rules of the Clearinghouse,~~ same Contract.
4. ~~A Clearing Member may transfer~~ Reliance on Information. The Clearinghouse shall be entitled to rely conclusively on the accuracy and authenticity of any information regarding a Contract submitted to ~~another~~ the Clearinghouse by a Board of Trade on behalf of a Clearing ~~Member only upon notice to~~ Member, whether or not the ~~Exchange and~~ Clearing Member in ~~accordance with~~ fact authorized the ~~Rules.~~ submission of such Contract for clearing.
5. Transfer. A Clearing Member may transfer a Contract to another Clearing Member only upon notice to the Clearinghouse and in accordance with the Rules.
6. Customer Fund Segregation. The Clearinghouse shall segregate customer funds in accordance with Commission Regulation 39.15.

## Rule 803: Clearing Members

1. Clearing Membership may be approved and maintained only when the terms and conditions set forth below have been met and continue to be met as determined by the Clearinghouse. The Clearinghouse may approve a firm to be a Clearing Member and the Clearinghouse may revoke Clearing Member approval at any time.
  2. The Clearing Member is a corporation, limited liability company, partnership or other entity in good standing in its jurisdiction of formation;
  3. The Clearing Member is qualified to conduct business in the State of Illinois or have an agency agreement in place with an entity qualified in the State of Illinois that provides an agent for service of process and other communications from the Clearinghouse in connection with the business of the Clearing Member;
  4. The Clearing Member is in compliance with the Clearing Member Agreement.
  5. The Clearing Member is in compliance with the Rules;
  6. The Clearing Member is in good financial standing and meets the minimum financial requirements established by the Clearinghouse;
  7. The Clearing Member has the personnel and systems to effectively conduct its business with the Clearinghouse;
  8. The Clearing Member has established satisfactory relationships with, and designated to the Clearinghouse, a bank or trust company designated by the Board of the Clearinghouse for confirmation and payment of Margin, Collateral, and other settlements with the Clearinghouse (an “Approved Financial Institution”);
  9. The Clearing Member has adequate operational capabilities, including the ability to process expected peak volumes and values within required time frames, fulfill Collateral payment and delivery obligations imposed by the Clearinghouse and participate in default management activities; and
  10. The Clearing Member is registered as an FCM with the CFTC and is a member of NFA unless the Clearing Member clears solely Fully Collateralized Swaps for its own accounts.
  11. The Clearing Member meets applicable requirements under the CEA and the CFTC’s rules, including but not limited to risk management procedures, requirements relating to minimum net capital, financial reporting, and recordkeeping, as determined by the Clearinghouse.
  12. The Clearing Member shall immediately notify the Clearinghouse if any of the foregoing requirements are not true and accurate.
  13. ~~The~~A Clearing Member may elect to participate in a Board of Trade by providing notice to the ClearinghouseClearinghouse. Participation in a Board of Trade may impact the requirements applicable to the Clearing Member under Rule 803.1.
4. The Board may grant exemptions to the requirements for membership in Rule 803 if the Clearinghouse determines that an exemption would not jeopardize the financial integrity of the Clearinghouse.

## Rule 804: Application for Clearing Membership

1. Any Person desiring to become a Clearing Member shall execute a Clearing Member Agreement and submit an application in such form as shall be prescribed by the Clearinghouse, which shall include a certification that the applicant has received, reviewed and agrees to abide by the Rules and perform the duties and responsibilities of a Clearing Member.
2. Only Persons found to meet the qualifications set forth in Rule 803 will be permitted to be Clearing Members. For the purpose of determining whether any applicant or Clearing Member is so qualified, the Clearinghouse may examine the books and records of any applicant or Clearing Member and may take such other steps as it may deem necessary to assess the qualifications of an applicant or Clearing Member. An applicant for Clearing Member status shall be conclusively deemed to have agreed to have no recourse against the Clearinghouse in the event that its application to become a Clearing Member is rejected.
3. An applicant that fails to be approved for membership shall be informed by the Clearinghouse and shall have five (5) Business Days thereafter to file an appeal to the Board of the Clearinghouse seeking further consideration. The Board of the Clearinghouse may approve the applicant by a majority vote if it determines that the decision to deny the application was in error.

## Rule 805: Withdrawal of Clearing Membership

1. **Notice of Withdrawal.** A Clearing Member may request to begin the withdrawal process as a Clearing Member upon written notice in a form and manner specified by the Clearinghouse. The Clearinghouse will process the formal withdrawal request within 30 days of receipt of the withdrawal form. Within or prior to the 30-day period, the Clearing Member will remain subject to all obligations of a Clearing Member under the Rules.
2. **Obligations During Withdrawal.** A Clearing Member that has provided the Clearinghouse with notice that it seeks to withdraw its status is subject to the following requirements, obligations and provisions:
  3. the Clearing Member must use all reasonable efforts to close-out all of its house ~~and~~and, where applicable, customer open positions;
  4. after notifying the Clearinghouse, the Clearing Member shall only be entitled to submit transactions for clearing which can be demonstrated to have the overall effect of reducing open positions in any Contract or risks to the Clearinghouse, whether by hedging, novating, transferring, terminating, liquidating or otherwise closing out such positions;
  5. the Clearinghouse may call for additional~~initial~~ Margin until such time as all of such Clearing Member's open positions have been terminated, and such Clearing Member shall provide such additional~~initial~~ Margin to the Clearinghouse as is requested in a timely manner;
  6. the withdrawing Clearing Member may be obligated to participate in default auctions; and
  7. if there is a default, the withdrawing Clearing Member in question shall remain liable for any unapplied assessments.
8. **Withdrawal from Participation in a Board of Trade.** A Clearing Member that withdraws from participation in a Board of Trade must provide prompt written notice of the withdrawal to the Clearinghouse. The notice shall identify the Board of Trade from which the Clearing Member is withdrawing and state whether the Clearing Member also seeks to withdraw as a Clearing Member.

1. If the Clearing Member seeks to withdraw only from such Board of Trade and to remain a Clearing Member, the requirements of Rule 805.2 shall apply with respect to the Clearing Member's open positions in Contracts executed on such Board of Trade. The Clearing Member shall remain subject to all other obligations of a Clearing Member under the Rules.

2. If the Clearing Member also seeks to withdraw as a Clearing Member, the notice shall be processed in accordance with Rule 805.1 and Rule 805.2.

### **4. Effectiveness of Withdrawal; Release of Clearinghouse-Held Assets.**

1. A Clearing Member's withdrawal as a Clearing Member shall not become effective, and the Clearinghouse shall not release any Margin, Collateral, Guaranty Fund contribution, or other assets of the Clearing Member held by or pledged to the Clearinghouse, until the Clearinghouse determines that:

1. all open positions of the Clearing Member at the Clearinghouse have been closed out, transferred, or otherwise terminated;

2. all amounts owed by the Clearing Member to the Clearinghouse, including settlement variation, Margin, Guaranty Fund contributions, assessments, fees, and any other financial obligations, have been paid in full;

3. all obligations of the Clearing Member to other Clearing Members or Customers arising from Contracts cleared by the Clearinghouse have been satisfied or otherwise provided for; and

4. any arbitration or disciplinary proceedings under Chapter 6 to which the Clearing Member is a party have been resolved or such obligations have been otherwise provided for.

2. The Clearinghouse shall not release any such assets prior to the 60th day following the date the Clearinghouse provides notice of the Clearing Member's withdrawal, provided that the Clearinghouse may,

in its sole discretion, grant an exemption to this holding period for good cause shown.

3. Where a Clearing Member has provided notice under Rule 805.3 to withdraw from participation in a Board of Trade but to remain a Clearing Member, the conditions of this Rule 805.4 shall apply only with respect to obligations and assets related to such Board of Trade.

**5. Irrevocability and Reinstatement.** Any withdrawal notice issued by a Clearing Member shall be irrevocable by the Clearing ~~Member~~Member, and ~~membership~~the Clearing Member may only be reinstated pursuant to a new application~~for membership~~ following the close-out of all of its house ~~and~~and, where applicable, customer open positions.

## 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.** 1. **Coordination.** 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 Clearinghouse shall succeed to and become vested coordinate with all rights and benefits accruing therefrom. Such assumption by the Clearinghouse shall terminate all liabilities and obligations Board of the Clearing Member whose Contract is so accepted to the other Trade and Clearing Member which was a party Members to such Contract. accept or reject Contracts for clearing as quickly after receipt as technologically practicable.~~

~~3. **Reliance on Information.** 2. **Conditions.** The Clearinghouse shall be entitled to rely conclusively on accept Contracts for clearing when such Contracts have been received if the accuracy and authenticity of any information regarding any Contract submitted parties to the Clearinghouses such Contracts have clearing arrangements in place and have satisfied applicable risk limits imposed by the Exchange on behalf of a Clearing Member, whether or not the Clearing Member in fact authorized the submission Board of such Contract for clearing. Trade or the Clearinghouse.~~

~~4. 3. **Fully Collateralized Swaps.** The Clearinghouse shall ensure as quickly after receipt as technologically practicable that the Clearing Member has sufficient collateral to fully collateralize the position prior to accepting the Contract for clearing. A Contract that breaches pre-collateralized funding requirements will be rejected by the Clearinghouse.~~

~~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 Contract, all liabilities and obligations imposed by such 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. **Offsetting Transactions.** Contracts\*\*. 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, Contracts, 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 813: Settlement and Delivery

1. Settlement Prices shall be determined by the Board of Trade. For Exchange Contracts, Settlement Prices shall be determined in accordance with Rule 509. The Clearinghouse retains authority to override or determine Settlement Prices if the Clearinghouse determines, in its sole discretion, that a Settlement Price is unavailable, erroneous, or otherwise unreliable.
2. In the absence of a clerical error, payments of funds or transfer of funds to and from the Clearinghouse, including, but not limited to, intraday and end-of-day Margin payments, delivery payments, and security deposits, are final and unconditional when effected and cannot be reversed.
3. Delivery failures are subject to the delivery rules of the Board of Trade for the respective Contract and are assigned by the Clearinghouse in a manner to minimize the number of Clearing Members impacted and assigns failures by newest to oldest positions.
4. Clearing Members must use Approved Financial Institutions and Settlement Facilities approved for use by the Clearinghouse.
5. Clearing Members must pay Margin calls by the deadline set by the Clearinghouse. An extension of time for such payments may be granted in writing by the President of the Clearinghouse.
6. In the event a Clearing Member fails to perform its delivery obligations to the Clearinghouse, for the avoidance of doubt, Clearing Members will not, under any circumstances, be required to own, hold, or control the underlying asset under these Rules unless the Clearing Member holds positions requiring delivery in its own proprietary account, but Clearing Members are responsible for ensuring their Customers are able to satisfy or satisfy their obligations regarding delivery and acceptance thereof under the applicable Rules.
7. In a Clearing Member default that involves a delivery failure, the Clearinghouse will ensure the financial performance to the Clearing Member whose actions or omissions did not cause or contribute to the delivery failure (the “Affected Clearing Member”). The Clearinghouse powers will include, but are not limited to, the right to sell or liquidate the underlying asset subject to delivery and to distribute the proceeds as appropriate and access the funds and collateral available in a default in accordance with Rule 817. For purposes of this Rule, “financial performance” means payment of commercially reasonable costs of the Affected Clearing Member related to replacing the failed delivery but does not include physical performance or legal fees. For the avoidance of doubt, payment of reasonable costs will be based on the price of the underlying asset when delivery should have been made, and the Clearinghouse is not obligated to make or accept delivery of the actual Digital Asset. Neither the Exchange nor the Clearinghouse will have any responsibility or liability to any Person for the use of, or any failure, error, action or omission of, the Settlement Facility.
8. An Affected Clearing Member seeking financial performance must provide prompt notice to the Clearinghouse of the delivery failure and a good faith estimate of any financial performance being sought within one (1) hour of the delivery deadline for the product. This deadline may be extended by the Clearinghouse for extenuating circumstances in its sole discretion. An Affected Clearing Member seeking financial performance must provide the Clearinghouse with a detailed statement with supporting documentation of the amount sought, as well as any other documentation requested by the Clearinghouse.
9. **Settlement and Delivery Timelines:**
  1. **Final Settlement Timeline.** All remaining open positions at Final Settlement serve as a binding notice to the Clearinghouse.

Day	Time	Event
T	10:00	Trading terminates; Final Settlement Prices reported to Clearinghouse.

Day	Time	Event
	12:00	Clearinghouse finalizes settlement assignments; Settlement Bank processes funds transfers and, for Physically Settled Contracts, Settlement Facility processes asset transfers. Settlement complete; margins released.
	13:00	

## 2. Daily Settlement Timeline

Day	Time	Event
T	16:00	Daily Settlement Prices reported; Clearinghouse calculates Margin requirements.
	18:00	Clearinghouse submits settlement amounts to Clearing Members and Settlement Bank.
T+1	09:30	Settlement Bank processes funds transfers.

## 3. Intraday Settlement Timeline. Performed as-needed; may not occur daily.

Day	Time	Event
T	11:00	Daily Settlement Prices reported; Clearinghouse calculates Margin requirements.
	12:00	Clearinghouse submits settlement amounts to Clearing Members and Settlement Bank.
	13:00	Settlement Bank processes funds transfers.

## 4. Spot Settlement Timeline

~~Day | Time | Event | | | T | 15:00 | Exchange Transactions reported; Clearinghouse nets positions. | | 15:30 | Clearinghouse finalizes delivery assignments; Settlement Bank processes funds transfers and Settlement Facility processes asset transfers. | | 16:30 | Settlement Bank and Settlement Facility complete processing. |~~

Day | Time | Event | | | T | 15:00 | Transactions reported by the Board of Trade; Clearinghouse nets positions. | | 15:30 | Clearinghouse finalizes delivery assignments; Settlement Bank processes funds transfers and Settlement Facility processes asset transfers. | | 16:30 | Settlement Bank and Settlement Facility complete processing. |

## Rule 817: Close-Outs

The open Contracts of a Clearing Member that are required to be liquidated shall be liquidated in such manner as the Clearinghouse, in its sole discretion, may direct. Without limiting the generality of the foregoing:

1. Any such liquidation may be effected by executing block trades with one or more Clearing Members or Participants or by directly entering orders ~~into~~on the ~~Exchange's trading platform~~Board of Trade on which the Contracts are listed for the purchase or sale of such Contracts. The President may designate and authorize an individual, and may engage a third party, to be responsible for implementing such liquidation.
2. Notwithstanding any other provision herein, any such liquidation may be effected without placing orders for execution, by making appropriate book entries on the records of the Clearinghouse (including, without limitation, by pairing and canceling offsetting long and short positions in the Contracts carried by the Clearing Member) at a price equal to the Settlement Price on the day such liquidation is ordered or at such other price as the ~~Board of the Clearinghouse~~ may establish; provided, however, if an order for relief has been entered with respect to such Person and its property is thereby subject to the control of a bankruptcy court, the Clearinghouse will not effect any such liquidation by book entry except as may be permitted by CFTC Rules.
3. All liquidations made pursuant to this Rule shall be for the account and risk of the Person which ceases to be a Clearing Member or which is suspended as a Clearing Member. The Clearing Member shall be liable to the Clearinghouse for any commissions or other expenses incurred in liquidating such Contracts.

## Rule 818: Close-Out Netting

- 1. Bankruptcy Event.** If at any time the Clearinghouse (1) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding up or liquidation, and, in the case of any such proceeding or petition presented against it, such proceeding or petition results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for the Exchange's or Clearinghouse's winding-up or liquidation, or (2) approves resolutions authorizing any proceeding or petition described in clause (1) above (collectively, a "Bankruptcy Event"), all open positions in the Clearinghouse shall be closed promptly.
- 2. Past Due Obligation.** If at any time the Clearinghouse fails to comply with an undisputed obligation to pay money or deliver property to a Clearing Member that is due and owing in connection with a transaction cleared by the or Clearinghouse, for a period of five (5) Business Days from the date that the or Clearinghouse receives notice from the Clearing Member of the past due obligation, the Clearing Member's open proprietary and customer positions at the Clearinghouse shall, at the election of that Clearing Member, be closed promptly.
- 3. Winding Up.** If at any time the Board~~of the Clearinghouse~~ determines, by virtue of the number of withdrawing Clearing Members or otherwise, that a winding up (offset) of all outstanding positions at the Clearinghouse is prudent, then all open positions at the Clearinghouse shall be closed promptly.
- 4. Close-out.** At such time as a Clearing Member's positions are closed:
- The obligations of the Clearinghouse to a Clearing Member in respect of such Clearing Member's House Account, all Collateral and positions therein and deposits to the Guaranty Fund shall be netted, in accordance with the Bankruptcy Code, the CEA and CFTC Rules against the obligations of that Clearing Member in respect of its House Account, all Collateral and positions therein, its obligations as guarantor of the performance of its Customers and its then-matured obligations, if any, to the Guaranty Fund, to the Clearinghouse. For the avoidance of doubt, all of the property in a Clearing Member's House Account on deposit with the Clearinghouse shall be deemed to be subject to a single master netting agreement with the result that any excess which is on deposit with the Clearinghouse shall be applied to reduce any deficiency or obligation of the Clearing Member; and
- All obligations of the Clearinghouse to a Clearing Member in respect of such Clearing Member's Customer Account and all positions and Collateral therein shall be separately netted against the positions, accounts and Collateral of such Clearing Member's customers in accordance with the requirements of the Bankruptcy Code, the CEA and CFTC Rules.
- 7. Valuation.** All positions that are open immediately before being closed in accordance with this Rule shall be valued in accordance with the following procedures:
- As promptly as reasonably practicable, but in any event within 30 days of: 1. the Bankruptcy Event, 2. if a Clearing Member elects to have its open positions closed as described above, the date of the election, or 3. the determination by the Board~~of Clearinghouse~~ to wind-up all outstanding positions as described above, the Clearinghouse shall fix a U.S. dollar amount (the "Close-out Value") to be paid to or received from the Clearinghouse by each Clearing Member, after taking into account all applicable netting and offsetting pursuant to the provisions of this Rule.
- The Clearinghouse shall value open positions subject to close-out by using the market prices at the moment that the positions were closed-out, assuming the markets were operating normally at such moment. If the markets were not operating normally at such moment, the Clearinghouse shall exercise its discretion, acting in good faith and in a commercially reasonable manner, in adopting methods of valuation to produce reasonably accurate substitutes for the values that would have been obtained from the market if it had been operating normally at the moment that the positions were closed-out.
- In determining a Close-out Value, Clearinghouse may consider any information that it deems relevant, including but not limited to: 1. prices for underlying interests in recent transactions, as reported by the market or markets for such interests, 2. quotations from leading dealers in the underlying interest,

setting forth the price (which may be a dealing price or an indicative price) that the quoting dealer would charge or pay for a specified quantity of the underlying interest, 3. relevant historical and current market data for the relevant market, provided by reputable outside sources or generated internally, and 4. values derived from theoretical pricing models using available prices for the underlying interest or a related interest and other relevant data.

11. Amounts stated in a currency other than U.S. dollars shall be converted to U.S. dollars at the current rate of exchange, as determined by the Clearinghouse.
12. If a Clearing Member has a negative Close-out Value, it shall promptly pay that amount to the Clearinghouse.
13. **FDICIA.** The Clearinghouse intends that certain provisions of this Rule be interpreted in relation to certain terms (identified by quotation marks) that are defined in the Federal Deposit Insurance Corporation Improvement Act of 1991 (“FDICIA”), as amended, as follows:
14. The Clearinghouse is a “clearing organization.”
15. An obligation of a Clearing Member to make a payment to the Clearinghouse, or of the Clearinghouse to make a payment to a Clearing Member, subject to a netting agreement, is a “covered clearing obligation” and a “covered contractual payment obligation.”
16. An entitlement of a Clearing Member to receive a payment from the Clearinghouse, or of the Clearinghouse to receive a payment from a Clearing Member, subject to a netting contract, is a “covered contractual payment entitlement.”
17. The Clearinghouse is a “member,” and each Clearing Member is a “member.”
18. The amount by which the covered contractual payment entitlements of a Clearing Member or the Clearinghouse exceed the covered contractual payment obligations of such Clearing Member or the Clearinghouse after netting under a netting contract is its “net entitlement.”
19. The amount by which the covered contractual payment obligations of a Clearing Member or the Clearinghouse exceed the covered contractual payment entitlements of such Clearing Member or the Clearinghouse after netting under a netting contract is its “net obligation.”
20. The Rules of the Clearinghouse, including this Rule, are a “netting contract.”

## Rule 820: Margins and Liquidations

1. The Clearinghouse shall establish minimum Margin requirements and Clearing Members shall collect Margins for Customer Accounts at or in addition to such minimum Margins in accordance with CFTC Rule 39.13(g)(8)(ii).
2. The Clearinghouse may change Margin requirements at any time superseding previous Margin requirements and post in accordance with CFTC Rule 39.13(g)(8).
3. The Clearinghouse shall accept Collateral as Margin in a manner acceptable to the Clearinghouse and Approved Financial Institutions.
4. The Clearinghouse, at its sole discretion, may make a Margin call at any time for any ~~Participant~~Clearing Member based on the ~~Participant's~~Clearing Member's open interest.
5. The Clearinghouse may direct a Participant or Clearing Member to liquidate positions or transfer positions to another Clearing Member if the Clearing Member fails to deposit Margin as required by the Clearinghouse. If transfer or liquidation instructions are not satisfied within one (1) hour, the Clearinghouse will originate orders to take such action directly.
6. Liquidation costs incurred with actions taken in accordance with the Rules will be included in the failed ~~Participants losses~~Clearing Member's losses, and any financial obligations owed by a Clearing Member to the Clearinghouse after such liquidations or transfers may be assessed to that Clearing Member's financial resources available under Rule 807.

## **Rule 823: Clearing Fees**

The Clearinghouse shall have the right to instruct each Approved Financial Institution to debit the house or proprietary account maintained by each Clearing Member, and/or any other account designated by such Clearing Member for purposes of this Rule, for any payment of fees, charges or other amounts (other than fines or penalties) due to the Clearinghouse or due to the Exchange (if and to the extent the Clearinghouse shall be acting as a collection agent for the Exchange). [The Clearinghouse may establish separate fee schedules for Contracts submitted by each Board of Trade.](#)

## **Rule 824: Public Information**

The Clearinghouse shall make public the terms and conditions of each Contract, all fees charged by the Clearinghouse, the Margin-setting methodology used by the Clearinghouse, the size and composition of the Guaranty Fund, and Settlement Prices, volume and open interest for each Contract. The Clearinghouse will also make its Rulebook, list of [FCM](#) Clearing Members and daily trading information available on the Clearinghouse Website. The Clearinghouse will provide public notice of a default on the Clearinghouse Website.