Bitnomial Clearinghouse, LLC

Clearinghouse SFP Rule Approval Request

September 18, 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-2026-106 - CFTC Regulation 41.24(b) Request for Approval of Chapter 8 Security Futures Product Clearing Rule Amendments

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 41.24(b), using the procedures of Regulation 40.5, Bitnomial Clearinghouse, LLC (the "Clearinghouse"), a registered derivatives clearing organization ("DCO"), voluntarily submits for Commission review and approval by vote amendments to Rules 803 and 806 in Chapter 8 of the Bitnomial Rulebook. The amendments address Clearing Member eligibility, customer-fund treatment and customer margin for cash-settled security futures products ("SFPs"). The Clearinghouse expects Commission approval within the 45-day review period under Regulation 40.5(c)(1). The proposed amendments are to become effective upon CFTC approval. Trading and clearing of the proposed SFPs will begin only after the applicable rule approvals, separate product approvals and other launch requirements are satisfied.

Overview and Rationale

Bitnomial Exchange, LLC (the "Exchange"), a designated contract market ("DCM") under the Commodity Exchange Act ("CEA" or "Act"), is notice-registered with the Securities and Exchange Commission ("SEC") as a national securities exchange for SFPs under Section 6(g) of the Securities Exchange Act of 1934 (the "Exchange Act" or "SEA"). The Exchange is submitting its listing, trading and related rules and procedures in a separate Regulation 41.24(b) request, BTNL-2026-105. The two CFTC approval requests will be filed concurrently with the Exchange's Form 19b-7, SR-BTNL-2026-001, which includes both sets of amendments. Both CFTC requests seek approval by Commission vote under Regulation 41.24(b), using Regulation 40.5 procedures.

This request is limited to the Chapter 8 clearing rule amendments. The Exchange request contains the listing standards and the index, funding, settlement and trading procedures under Rule 515, together with the Exchange's 15.25% minimum initial and maintenance customer-margin floor for SFPs. Proposed Rule 806.21 requires Clearing Members to comply with the joint SEC/CFTC customer-margin rules; the numerical floor is implemented in the Exchange's procedures and is not added to Chapter 8. Initial products will be submitted separately under Regulation 41.23(b), using Regulation 40.5 procedures, beginning with BTNL-2026-107.

The amendments extend Clearing Member registration and statutory-disqualification requirements to customer SFP business, specify the applicable customer-account protections and make the customer-margin obligation express. The requirements apply without regard to affiliation. The Clearinghouse has considered the potential anticompetitive effects of the amendments and determined that they are consistent with the antitrust considerations in Section 15(b) of the Act. The amendments apply the same eligibility and customer-protection requirements to similarly situated Clearing Members and impose no affiliate exclusivity.

Adoption and Rule Updates

The Executive Team is authorized to take the actions required for these proposed rule amendments and this filing and has taken those actions. Rules 201, 202.1 and 203.1 set out the LLC governance, Board oversight and approved officer-authority framework under which the Clearinghouse acts.

Exhibit 1 contains the proposed amendments to Rules 803 and 806, with additions and deletions indicated, using the same Chapter 8 rule text included in Exhibit 4 of the companion SEC filing. The Exchange's separate request contains the other proposed rule amendments and the CF Hybrid Equity Indices Methodology Guide and Securities Perpetual Pricing procedures supporting Rule 515.

Rule 803 - Clearing Members

Requires a Clearing Member that clears security futures products for customers to register as a BD. Adds statutory disqualification screening under CEA Section 8a(2) and, for customer security futures product clearing, SEA Section 3(a)(39).

Rule 806 - Responsibilities of Clearing Members

Restructures the customer segregation obligation into a list by account type. Adds that security futures product customer funds be held in futures accounts subject to CEA Section 4d segregation, unless the Clearinghouse permits those positions to be carried in securities accounts under SEA Rule 15c3-3. Rule 806.21 also requires Clearing Members to collect customer margin for security futures product positions at levels that comply with the jointly adopted CFTC and SEC margin rules in 17 CFR part 41, subpart E and 17 CFR 242.400 through 242.406. This obligation is included in this Clearinghouse request and in the SEC Form 19b-7 filing; it does not establish a new customer offset schedule. The Exchange's procedures apply a 15.25% minimum initial and maintenance customer-margin floor for SFPs, subject to any higher applicable requirement. That numerical floor is addressed in the concurrent Exchange request, BTNL-2026-105; it is not added to the Chapter 8 rule text.

DCO Core Principle Compliance

The Clearinghouse has reviewed the DCO Core Principles under Section 5b(c)(2) of the Act and will continue to comply with them. The Chapter 8 amendments bear on the following principles:

Core Principle B - Financial Resources: The Clearinghouse 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, CFTC, and SEC requirements.

Core Principle D - Risk Management: The changes continue to ensure the Clearinghouse'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: The Clearinghouse will continue to complete money settlements on a timely basis to reduce risk exposure.

Core Principle F - Treatment of Funds: Proposed Rule 806.1 specifies SFP customer-fund segregation and account treatment. Rule 806.21 requires Clearing Members to collect customer margin in accordance with the joint SEC/CFTC rules. These obligations support the protection of funds held for Clearing Members and their customers.

Core Principle L - Public Information: The Clearinghouse is publicly posting notice of this request for Commission approval and a copy of this submission on its website to ensure that market participants receive advance notice of this update.

Regulation 41.22 Certifications

Pursuant to Regulation 41.24(b), the Clearinghouse provides the following Regulation 41.22 certifications as applicable to the SFPs it proposes to clear. The Exchange's concurrent request, BTNL-2026-105, provides the listing market's certifications and supporting analysis. The market controls described below are operated by the Exchange; the Clearinghouse's Chapter 8 amendments address Clearing Member eligibility, customer accounts and margin. Each product remains subject to separate Regulation 41.23(b) approval and product-specific compliance evidence.

(a) Underlying securities. The underlying securities satisfy Regulation 41.21, including Exchange Act Section 12 registration, the applicable eligible-security requirements and conformity with the Exchange's listing standards filed with the SEC. Rules 515.1 and 515.2 in the Exchange request prescribe initial and continuing eligibility for common stocks and qualifying ADRs.

(b) Physical settlement. The proposed SFPs are cash settled under Rules 502 and 515.4. The payment-and-delivery arrangements for physically settled SFPs specified in Regulation 41.22(b) are therefore not applicable.

(c) Common clearing. Regulation 41.22(c) is reserved; no certification is required under that paragraph.

(d) Suitability. Only futures commission merchants, introducing brokers, commodity trading advisors, commodity pool operators or associated persons subject to suitability rules comparable to those of a national securities association registered pursuant to Section 15A(a) of the Exchange Act and the rules thereunder may solicit, accept any order for or otherwise deal in any transaction in or in connection with the SFPs, except to the extent otherwise permitted under the Exchange Act and its rules. The Exchange's intermediary checks verify the applicable FINRA or NFA membership and substantive suitability obligations, including FINRA Rule 2370(b)(16)–(19) and NFA Compliance Rule 2-30(j), subject to their terms. Proposed Rule 803 adds broker-dealer registration and Exchange Act statutory-disqualification requirements for Clearing Members that clear customer SFPs. Registration screening supplements the substantive suitability obligations.

(e) Dual trading. Dual trading in the SFPs on the Exchange is restricted in accordance with Regulation 41.27. The Exchange has no open-outcry trading floor. Its electronic SFP market provides neither a participant time or place advantage nor an ability to override the predetermined matching algorithm that would trigger Regulation 41.27(b)(2). Rule 504.7 governs predetermined, nondiscretionary matching. The Exchange request provides the supporting analysis.

(f) Resistance to manipulation. Trading in the SFPs is not readily susceptible to manipulation of the price of the SFP itself or to causing or being used in manipulation of the price of any underlying security, an option on that security, or an option on a group or index that includes that security, consistent with Regulation 41.25. The Exchange's initial and maintenance liquidity and ownership tests, 200,000-contract limit for the proposed single-stock perpetual futures, pricing and settlement controls, and coordinated surveillance support this certification. The Exchange request explains these controls under DCM Core Principles 3 and 5. Product applications will provide the corresponding underlying-market and product-design evidence.

(g) Coordinated surveillance. Procedures are in place for coordinated surveillance among the Exchange, any market on which an underlying security trades and other markets on which related securities trade, to detect manipulation and insider trading. The Exchange's ISG membership, operative information-sharing coverage and Rule 209 support these procedures. Rule 209 authorizes requests to Clearing Members for information needed by another market, and Rule 313 supports inspection and production of relevant records. The Exchange request describes the coordinated-surveillance program under DCM Core Principle 3.

(h) Audit trails. An audit trail is in place to facilitate coordinated surveillance among the Exchange, any market on which an underlying security trades and other markets on which related securities trade. Exchange order-lifecycle records, retention and reconstruction controls complement Participant and Clearing Member front-end records under Rule 510. The records link orders, executions, users and accounts with cleared trades, allocations and positions as applicable. Rule 510 requires at least five years of front-end record retention and production in a standard format on request; Exchange retention and production are subject to Regulation 1.31. The Exchange request provides the supporting analysis under DCM Core Principle 10.

(i) Trading halts. Procedures are in place to coordinate regulatory trading halts among the Exchange, any market on which an underlying security trades and other markets on which related securities trade. Rules 501.3 and 515.9 require an SFP halt while a regulatory halt is in effect in any underlying security, consistent with Regulation 41.25(b)(2) and SEC Rule 6h-1. They also address primary-listing-market pauses, news-pending events, market-wide circuit breakers and corporate-action halts. Resumption requires underlying-market resumption, open Contract Market Hours and no continuing halt. These procedures apply throughout the scheduled 24/5 trading week; continued index publication does not override a required halt.

(j) Margin. The margin requirements for the SFPs will comply with Regulations 41.43 through 41.48. Proposed Rule 806.21 requires Clearing Members to collect customer margin in accordance with the joint SEC/CFTC rules. The Exchange's procedures apply a 15.25% minimum initial and maintenance customer-margin floor for SFPs, subject to any higher applicable requirement and the joint rules' account and position treatment. The concurrent Exchange request addresses that procedural floor. No new customer offset schedule is proposed.

General Compliance and Website Posting Certifications

Pursuant to Section 5c(c) of the Act and Regulation 41.24(b), using Regulation 40.5 procedures, the Clearinghouse certifies that the proposed Chapter 8 amendments comply with the Act and the regulations thereunder. No Commission regulation needs to be amended, and no provision of the Act or Commission regulations needs to be interpreted to approve the amendments. No substantive opposing views were expressed to the Clearinghouse by governing board or committee members, members of the entity or market participants.

The Clearinghouse certifies that notice of this request for Commission approval and a copy of this submission have been concurrently posted on Bitnomial's website at https://bitnomial.com/exchange/regulatory, with information for which confidential treatment is requested redacted as permitted by Regulation 40.5(a)(6).

If you have any questions or require further information, please contact the undersigned at james.walsh@bitnomial.com.

Sincerely,

James A. Walsh

Chief Compliance Officer
Bitnomial Clearinghouse, LLC

Bitnomial Clearinghouse, LLC

Exhibit Index

BTNL-2026-106 - DCO Rule Approval Request

Filing date: September 18, 2026. Total pages: 11.

Bitnomial Clearinghouse, LLC

Exhibit 1 — Proposed DCO Rule Text

Deletions are enclosed in brackets; additions are underlined. Unchanged wording remains unmarked. Entire new or removed paragraphs are marked in full. Rule provisions use full dotted numbering, including the rule number, to identify nested provisions.

This exhibit reproduces the Chapter 8 amendments to Rules 803 and 806 in Form 19b-7, SR-BTNL-2026-001, Exhibit 4. The other proposed rule amendments and the index and pricing attachments are included in the separate Exchange request, BTNL-2026-105.

Rule 803 — Clearing Members

803.1. The Clearinghouse shall have two categories of Clearing Membership: ECMs and ICMs. 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 Person to be a Clearing Member and the Clearinghouse may revoke Clearing Member approval at any time.

803.1.1. The Clearing Member is a corporation, limited liability company, partnership or other entity in good standing in its jurisdiction of formation, or a natural person who is a U.S. citizen or permanent resident in good standing;

803.1.2. The ECM is qualified to conduct business in the State of Illinois or has an agency agreement in place with an entity qualified in the United States that provides an agent for service of process and other communications from the Clearinghouse in connection with the business of the Clearing Member;

803.1.3. The Clearing Member is in compliance with a Clearing Member Agreement[.];

803.1.4. The Clearing Member is in compliance with the Rules;

803.1.5. The Clearing Member is in good financial standing and meets the minimum financial requirements established by the Clearinghouse;

803.1.6. The Clearing Member has the personnel and systems to effectively conduct its business with the Clearinghouse;

803.1.7. The Clearing Member has established satisfactory relationships with, and designated to the Clearinghouse, a bank or trust company designated by the Board for confirmation and payment of Margin, Collateral, and other settlements with the Clearinghouse (an “Approved Financial Institution”);

[**803.1.8.** 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]

[**803.1.9.** 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.]

[**803.1.10.** 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.]

803.1.8. 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;

803.1.9. Unless the Clearing Member clears solely Fully Collateralized Swaps for its own accounts, the Clearing Member is registered as an FCM with the CFTC and is a member of NFA, and, if it clears security futures products for or on behalf of Customers, is registered as a BD;

803.1.10. The Clearing Member is not subject to statutory disqualification under Section 8a(2) of the CEA or, if the Clearing Member clears security futures products for or on behalf of Customers, statutory disqualification as defined in Section 3(a)(39) of the SEA; and

803.1.11. 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.

803.2. The Clearing Member shall immediately notify the Clearinghouse if any of the foregoing requirements are not true and accurate.

803.3. A Clearing Member may elect to participate in a Board of Trade by providing notice to the Clearinghouse. Participation in a Board of Trade may impact the requirements applicable to the Clearing Member under Rule 803.1.

803.4. 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 806 — Responsibilities of Clearing Members

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

[**806.1.** 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.]

806.1. ensure that all funds deposited with the Clearinghouse on behalf of Customers of a Clearing Member are segregated from other funds, treated as belonging to the respective Customers, and held as follows:

806.1.1. funds deposited on behalf of futures and futures options Customers shall be held in an account identifiable as "Customer Segregated" in accordance with the CEA and CFTC Rule 1.20, as amended;

806.1.2. funds deposited on behalf of cleared swaps Customers shall be held in an account identifiable as "Cleared Swaps Customer Collateral" in accordance with the CEA and CFTC Rules 22.2 and 22.3, as amended; and

806.1.3. funds deposited on behalf of security futures product Customers shall be held in futures accounts subject to the segregation requirements of Section 4d of the CEA and CFTC Rules thereunder, unless the Clearinghouse permits security futures product positions of such Customers to be carried in securities accounts subject to SEA Rule 15c3-3.

The Clearing Member shall fulfill the segregation acknowledgment letter requirements under the CEA and CFTC Rule 22.5 for Customer deposits. 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;

806.2. 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;

806.3. comply with and act in a manner consistent with the Rules and any rules of or agreement with a settlement facility, as applicable;

806.4. ensure that all clearing activity conducted by the Clearing Member is performed in a manner that is consistent with the Rules;

806.5. 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;

806.6. ensure that the Clearinghouse's facilities are used in a responsible manner and are not used for any improper or wrongful purpose;

806.7. meet all financial requirements required under the Rules;

806.8. 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;

806.9. 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;

806.10. immediately inform the Clearinghouse of any changes to the account information provided by the Clearing Member;

806.11. keep User IDs and passwords confidential;

806.12. promptly review and, as necessary, respond to all communications issued by the Clearinghouse;

806.13. 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;

806.14. 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;

806.15. 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;

806.16. cooperate with the Clearinghouse and any Governmental Authority in any inquiry, investigation, audit, examination or proceeding;

806.17. 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;

806.18. 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;

806.19. in the case of an ECM that is an FCM, 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:

806.19.1. 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;

806.19.2. provide for independent testing for compliance to be conducted by Clearing Member personnel or by a qualified outside party;

806.19.3. designate an individual or individuals responsible for implementing and monitoring the day-to-day operations and internal controls of the program; and

[**806.19.4.** provide ongoing training for appropriate personnel; and]

[**806.20.** 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.]

806.19.4. provide ongoing training for appropriate personnel;

806.20. 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; and

806.21. collect Customer margin for security futures product positions at levels that comply with the margin rules jointly adopted by the CFTC and the SEC in 17 CFR part 41, subpart E and 17 CFR §§ 242.400 through 242.406.