



April 9, 2025

Christopher J. Kirkpatrick
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Cboe Futures Exchange, LLC Product and Rule Certification
for Cboe FTSE Bitcoin Index Futures
Submission Number CFE-2025-006

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Regulation 40.2 and Regulation 40.6 of the regulations promulgated by the Commodity Futures Trading Commission (“CFTC” or “Commission”) under the Act, Cboe Futures Exchange, LLC (“CFE” or “Exchange”) hereby submits terms and conditions for Cboe FTSE Bitcoin Index (“XBTF”) futures (“Product”) to be traded on CFE and accompanying rule amendments to incorporate the Product into CFE’s rules (“Amendment”).

The Amendment consists of new Chapter 22 of the CFE Rulebook regarding the Product and related revisions to the Policies and Procedures Section of the CFE Rulebook. A summary Product specifications chart for XBTF futures is included in Exhibit 1 to this submission. Exhibit 2 to this submission sets forth the rule changes included in the Amendment.

The terms and conditions for the Product and the Amendment will become effective on April 23, 2025 (“Effective Date”). The Product may be listed for trading on CFE on or after the Effective Date on a date to be announced by the Exchange through the issuance of an Exchange notice. CFE currently plans to list XBTF futures for trading commencing on April 28, 2025. CFE will notify the Commission if this currently planned initial listing date were to change.

XBTF Futures

XBTF futures are cash-settled futures contracts based on the price of bitcoin in U.S. dollars as reflected by the FTSE Bitcoin Reduced Value (1/10th) (“XBTF”) Index. The notional size of an XBTF futures contract is 0.10 bitcoin.

XBTF futures will be listed for trading on CFE and will be cleared through The Options Clearing Corporation (“OCC”).

Underlying Digital Asset Market

Bitcoin is a digital asset based on the decentralized, open-source protocol of a peer-to-peer

payments network. The Bitcoin network hosts the decentralized public transaction ledger, the Bitcoin blockchain (or ledger), on which all bitcoin transactions are recorded. The blockchain is a linked body of data, made up of units called blocks containing information about each transaction processed. Blocks are created by “miners” that solve highly complex mathematical problems. The bitcoins themselves are the assets that can be transferred on the network, to which one claims ownership. No single entity owns or operates the Bitcoin network. The infrastructure of the Bitcoin network is collectively maintained by a decentralized user base. The Bitcoin blockchain is capped at 21 million bitcoins. As of March 15, 2025, the total supply of mined bitcoins is approximately 20 million bitcoins, which represents close to \$1.7 trillion in market capitalization. The 21 million bitcoin limit is anticipated to be reached sometime in 2140.

Bitcoin may be obtained through various methods, including among others, paying cash for bitcoin, providing a good or service in exchange for bitcoin, or receiving bitcoin in exchange for fiat currency or another digital asset on a digital asset exchange. Bitcoin may also be obtained by verifying bitcoin transactions through mining, which rewards miners with bitcoin. Rewarding bitcoin to miners incentivizes miners to try to solve the mathematical problems in turn making the network more secure.

The spot bitcoin market has undergone significant transformation over the past five to ten years, evolving from a niche market to a sophisticated trading ecosystem. Beginning as a niche market with less mature exchanges, liquidity, and institutional support, the landscape shifted dramatically as improved infrastructure emerged, institutional adoption began, and exchanges developed more sophisticated trading capabilities and security protocols. The current bitcoin market features professional-grade execution platforms, institutional custody solutions, and advanced trading tools comparable to traditional financial markets. The 2024 U.S. Securities and Exchange Commission (“SEC”) approval of U.S. spot bitcoin Exchange-Traded Products (“ETPs”) marked a turning point,¹ significantly expanding market access to financial products based on bitcoin. In general, the level of liquidity, market quality, and participation from major financial institutions has grown in recent years reflecting the evolution of bitcoin into a legitimate, sophisticated asset class.

Since early 2019, the volume traded in bitcoin has experienced substantial growth. The 30-day moving average of the dollar value of USD-based bitcoin volume has grown from \$675 million in February 2019 to approximately \$21.7 billion as of February 14, 2025.²

Index that Underlies XBTF Futures

The XBTF Index provides a USD-denominated reference rate for the spot price of bitcoin by leveraging real-time prices from constituent digital asset exchanges. The XBTF Index is 1/10th the value of the FTSE Bitcoin Index.

FTSE Russell calculates the XBTF Index in collaboration with Digital Asset Research (“DAR”) (collectively, the “Index Provider”). FTSE Russell is a leading global provider of benchmarks, analytics, and data solutions with multi-asset capabilities. The DAR Digital Asset Prices and the FTSE DAR Reference Prices, which include the FTSE Bitcoin Index and the XBTF Index, are derived aggregated rates developed by the Index Provider.

The FTSE Bitcoin Index provides a USD-denominated reference rate for the spot price of

¹ The SEC’s 2024 approval order of U.S. spot bitcoin ETPs is available at <https://www.sec.gov/files/rules/sro/nysearca/2024/34-99306.pdf>.

² Volume statistics included in this submission are derived from Coin Metrics Rates at <https://rates.coinmetrics.io/> or from trading volume data of U.S securities exchanges and designated contract markets (“DCMs”).

bitcoin that is calculated utilizing real-time prices from transactions in bitcoin on constituent digital asset exchanges. The FTSE Bitcoin Index represents the price of bitcoin by aggregating the volume-weighted average price (“VWAP”) of trade data from the constituent exchanges during one-hour calculation windows. Under normal circumstances, the calculation window from 2:00 p.m. to 3:00 p.m. is used for the determination of the final settlement value of an XBTF futures contract on its final settlement date. All references to times in this submission are in Chicago time unless otherwise indicated.

The Index Provider implements several steps to remove duplicative and outlier trades from the calculation of the hourly FTSE Bitcoin Index Reference Prices:

1. Duplicate trades are removed.
2. Exchange Level filtration is conducted. This is done by aggregating all trades in eligible pairs in the 10-minute period immediately preceding the current 15-second window. Eligible pairs include bitcoin to: U.S. dollars, Great British Pound, Euro, Japanese Yen, Tether, USD Coin, Bitcoin, and Ethereum. Trades in eligible pairs in this 10-minute period are aggregated and the average and the standard deviation of trades within the period are calculated. All trades in each current 15-second window are converted to USD and aggregated by exchange, and one VWAP is performed for each exchange’s group of trades for that 15-second window. The result is that each constituent exchange has one VWAP from the most recent 15-second window of trades. If any current 15-second window VWAP for a constituent exchange is more than 1.5 standard deviations from the aggregate previous 10-minute period mean VWAP across exchanges, the VWAP for that exchange is removed from the current 15-second window and is not used in further calculations for this window.
3. Trade Level filtration is then conducted. All executed trades from the previous 10-minute partition are aggregated and a mean and standard deviation are calculated. For the current 15-second window, if any single trade falls outside 2.5 standard deviations of the mean from the immediately preceding 10-minute period, that single trade is excluded from the current 15 second window.
4. Once outliers have been removed, the VWAP of all remaining prices are used to calculate a price for the 15-second window.

Once steps 1 through 4 have been performed for each 15-second window, the FTSE Bitcoin Index is calculated as the average of the 15-second windows (comprised of 240 observations) over the preceding 60-minute period.

For the purpose of any FTSE DAR Reference Price computation, including the FTSE Bitcoin Index, the Index Provider vets constituent exchanges on a quarterly basis as of each calendar quarter end (March 31st, June 30th, September 30th, and December 31st). This vetting is in addition to the exchange level trade outlier filtration process conducted by the Index Provider as described above. Any changes to the eligibility of digital asset exchanges are effective after the close of business on the third Friday of April, July, October, and January. Each eligible constituent exchange must at a minimum meet the criteria below, which includes assessments of regulatory, governance, institutional, technical, and comprehensive data made by the Index Provider based on available information, including information made available by the constituent exchanges:

- An exchange’s domicile must not restrict capital trading to foreign or international investors.
- An exchange must be managed by companies with easily available and verified biographical information on its executive leadership team.
- An exchange must maintain a minimum average daily reported volume of \$5,000,000 each day over the six-month period leading up to each quarterly review.
- An exchange must be a centralized spot exchange, which is a centralized organization that facilitates spot delivery transactions of underlying digital assets.
- An exchange’s trading data must be made available and allow for continuous dissemination of trade prices and trading volume data, including data fields which detail the asset pair, price, volume, and accurate timestamp for each trade.
- Trading on an exchange must follow natural buy and sell patterns.
- Trading on an exchange must occur at natural and expected lot levels.
- An exchange must pass two out of the following three tests during each of the previous two quarters:
 - Price data follows natural patterns that track with the market.
 - Trading volume data follows natural patterns that track with the market.
 - Order book data shows active and competitive behavior.
- An exchange must operate within the laws of its domiciled country and shall not knowingly violate any local or international regulations applicable to it based on its location or the location of its permitted users.
- An exchange must differentiate users based on geolocation which restricts uses in specific jurisdictions.
- An exchange has obtained the relevant licensing and registrations for the jurisdiction(s) in which the exchange maintains an office, is headquartered, or is otherwise registered to do business.
- An exchange complies with regulatory authorities for requests for information.
- An exchange has Know Your Customer (“KYC”) and Anti-Money Laundering (“AML”) controls which require, at a minimum, that a user verify their name, e-mail address, phone number, government issued identification, and bank account prior to using the platform.
- An exchange agrees to provide information around unusual or suspicious market activity that the Index Provider may request.
- An exchange must not be on any third-party sanctions lists.

- An exchange must have a publicly listed fee schedule which is uniformly practiced and demonstrates that the Exchange operates as a centralized, for-profit business.
- An exchange must not have founded accusations of fraud or criminal charges against the exchange or its leadership team.
- An exchange must provide open support communication channels to its users.
- An exchange must not have any meaningful security lapse or breach in the last 12 months which resulted in the loss of client or exchange funds exceeding 1% of its total holdings.
- An exchange must have no known deficiencies in operational security.
- An exchange must have no significant downtime, defined as more than 24 cumulative hours in any one quarter.

Additionally, in circumstances where the Index Provider determines that the pricing integrity of a constituent exchange is in doubt, there has been a significant security breach involving the constituent exchange, or some other detrimental event has occurred that calls into question the continued inclusion of that exchange as a constituent exchange, the Index Provider may revoke the eligibility of that exchange as a constituent exchange with immediate effect.

The above description is intended to be a high-level summary of the FTSE Bitcoin Index as of the date of this filing. The following materials may be referenced for additional detail and further information regarding the FTSE Bitcoin Index and its methodology:

- the FTSE Single Digital Asset Index Series (available at https://www.lseg.com/content/dam/ftse-russell/en_us/documents/ground-rules/ftse-single-digital-asset-index-series-ground-rules.pdf);
- the Guide to the Calculation of the FTSE DAR Digital Asset Prices and FTSE DAR Reference Prices (available at https://www.lseg.com/content/dam/ftse-russell/en_us/documents/policy-documents/guide-to-calculation-of-ftse-dar-digital-asset-prices-and-reference-prices-fixes.pdf);
- the Guide to the Vetting of Digital Assets and Digital Asset Exchanges (available at https://www.lseg.com/content/dam/ftse-russell/en_us/documents/policy-documents/guide-to-the-vetting-of-digital-asset-and-digital-asset-exchanges.pdf); and
- the Participating and Watchlist Exchanges (available at https://www.lseg.com/content/dam/ftse-russell/en_us/documents/ground-rules/digital-asset-participating-watchlist-exchange-list.pdf).

Information Sharing Agreements

At the time of this submission, the XBTF Index has eight constituent exchanges: Bitfinex, BitFlyer, Bitstamp, Gemini, itBit, Kraken, LMAX Digital, and Luno. Based on available information: Each of the constituent exchanges included in the XBTF Index has a set of rules or binding terms and conditions for participants. The rules or terms and conditions governing activity on each constituent

exchange include provisions that prohibit members from engaging in fraudulent acts, abusive practices, and/or market manipulation. Additionally, each of the constituent exchanges states that it implements and maintains an AML/KYC program.

CFE or a CFE affiliate has entered into an Information Sharing Agreement (“ISA”) with four of the eight constituent exchanges (Bitstamp, Gemini, itBit, and LMAX Digital) that in aggregate comprised 47.9% of the XBTF Index weight for period July 29, 2023 through February 19, 2025. CFE has the ability to request and obtain information from these constituent exchanges under those information sharing agreements.

While Kraken comprises approximately 41.3% of the XBTF Index weight, CFE understands that Kraken maintains a credible and transparent digital asset trading platform. Based on available information, Kraken is licensed as a money services business with the Financial Crimes Enforcement Network (“FinCEN”); maintains a rulebook that, among other things, implements various risk controls that allows it to suspend trading and/or access to maintain market integrity on the exchange; is System and Organization Controls (SOC) 2, Type 1 certified (demonstrating a high degree of systems and informational security); and is included as a constituent exchange in various indexes underlying derivatives products and ETPs offered for trading on other exchanges regulated by the CFTC or SEC.

CFE has an ISA in place with many exchanges via their common membership in the Intermarket Surveillance Group (“ISG”), including:

- many DCMs, including by not limited to the CME Group DCMs, Coinbase Derivatives, Kalshi, and ICE Futures U.S.;
- All U.S. national securities exchanges; and
- multiple foreign exchanges.

Further, CFE has an ISA in place with the members of the Joint Compliance Committee (“JCC”), including among others, additional DCMs that offer trading in financial products based on bitcoin, such as Bitnomial and NADEX.

These ISAs in place as a result of CFE’s membership in the ISG and JCC facilitate the sharing of information with CFE that is available to the ISG and JCC members through surveillance of their markets. Therefore, CFE has the ability to request information from all U.S. securities exchanges that list bitcoin ETPs, as well as options on bitcoin ETPs, and potential other bitcoin securities products; from DCM members of the ISG and JCC that list bitcoin derivatives products; and from foreign exchange members of the ISG that may offer bitcoin products.

CFE has ISAs in place with trading venues that comprise a significant percentage of the USD bitcoin market share (either directly or through an ISA with a CFE affiliate under which CFE has the ability to request and obtain information). CFE reviewed the average dollar value of trading (“ADTV”) (based on a five-business day week) from January 1, 2024 through February 28, 2025: Of the \$18.9 billion of ADTV that comprises the vast majority of the USD Bitcoin trading universe, \$7.974 billion in ADTV traded via entities with which CFE has an ISA in place. This \$7.974 billion in ADTV consists of \$967 million ADTV across the digital asset exchanges with which CFE has an ISA; \$4.3 billion in ADTV on CME; \$2.7 billion in ADTV across U.S. securities exchanges listing Bitcoin ETPs; and \$14.4 million in ADTV across U.S securities exchanges that list Bitcoin ETP options. Said another way, CFE has ISAs in place with trading venues that comprise approximately 42% of the USD Bitcoin market share.

Indeed, in its 2024 approval order of U.S. spot bitcoin ETPs, the SEC acknowledged that surveillance-sharing agreements with regulated markets of significant size are not the only acceptable method for listing exchanges to meet anti-fraud and anti-manipulation obligations. The SEC recognized that exchanges may satisfy these statutory requirements through alternative means if they can sufficiently demonstrate their effectiveness.

Quantitative Analysis

CFE conducted a quantitative analysis to test a manipulation scenario in connection with XBTF futures for the period July 29, 2023 through February 28, 2025. This simulated manipulation test was conducted over the 60-minute periods used to determine the XBTF Index daily prices by placing hypothetical orders with prices above the 15-second window VWAP for each constituent exchange of sufficient quantity to move the 15-second window VWAP of each constituent exchange by 0.01% (i.e., by one basis point) while remaining within the standard deviation allowed so as not to be removed as an outlier pursuant to the index methodology. Once this hypothetical manipulation trade was done for all 15-second windows in the 60-minute period, the sum of the value traded was used to determine the notional value of the outlay to move the spot bitcoin price across all the XBTF Index constituent exchanges by 0.01% (at a bitcoin price of \$100,000, 0.01% is \$1.00). CFE then calculated the total capital outlay—that is, the total amount of USD that would have to be invested in the cash market by a would-be manipulator to move the bitcoin price 0.01% plus the capital that would have to be invested in the futures (or futures capital outlay) to take advantage of the manipulation.

Based on this test, CFE found that the median total capital investment to move the bitcoin price by 0.01% was over \$2.5 billion, while the median profit (assuming zero transaction costs) was just over \$12,000. CFE identified that the “return on investment”—the value of the futures price movement divided by the total capital investment required to move the XBTF Index by 0.01%—was far less than 0.01%, even with unrealistic assumptions of zero transaction cost in spot and futures market trades and no market slippage upon exiting the spot market positions.

Underlying Index Analysis Compared to Other Bitcoin Indexes

CFE conducted an analysis of the XBTF Index prices compared to other bitcoin indexes over the last year to determine whether the XBTF Index is representative of the broader bitcoin market. The results of that analysis are described below and are based on a review conducted over the time period from January 2024 through January 2025.

The analysis compared the XBTF Index in relation to the daily CME CF Bitcoin Reference Rate,³ the CoinDesk Bitcoin Price Index rate, Cboe Kaiko Bitcoin Rate (CBKR), and the Kaiko Bitcoin Reference Rate.

- The CME CF Bitcoin Reference Rate is comprised of pricing sourced from Bitstamp, Bullish, Coinbase, Gemini, itBit, Kraken, and LMAX Digital.
- The CoinDesk Bitcoin Price Index rate is comprised of pricing sourced from Bitstamp, Bullish, Coinbase, Crypto.com, Kraken, and LMAX Digital
- The CBKR is comprised of pricing sourced by BitStamp, itBit, and LMAX Digital.

³ CME Bitcoin futures are based on the CME CF Bitcoin Reference Rate.

- The Kaiko Bitcoin Reference Rate is comprised of pricing sourced from Bitstamp, Coinbase, Gemini, Kraken, and LMAX Digital.

As such, the pricing sources that comprise the CME CF Bitcoin Reference Rate, the CoinDesk Bitcoin Price Index Rate, the CBKR, and the Kaiko Bitcoin Reference Rate are representative of the broader digital asset spot market in bitcoin.

CFE reviewed the correlation between the daily returns of the XBTF Index and the CME CF Bitcoin Reference Rate,⁴ hourly CKBR and Kaiko Bitcoin Reference Rate,⁵ and weekly CoinDesk Bitcoin Price Index Rate.⁶

- The correlation between the daily returns of the XBTF Index and CME CF Bitcoin Reference Rate was 0.9999.
- The correlation between the daily returns of the XBTF Index and the CKBR was 0.9987.
- The correlation between the daily returns of the XBTF Index and Kaiko Bitcoin Reference Rate was 0.9987.
- The correlation between the daily returns of the XBTF Index and CoinDesk Bitcoin Price Index Rate was 0.9874.

These daily return correlations of .9999, 0.9987, 0.9987, and 0.9874 indicate that the prices generated by the XBTF Index are very strongly aligned with the prices generated by the CME CF Bitcoin Reference Rate, CKBR, Kaiko Bitcoin Reference Rate, and the CoinDesk Bitcoin Price Index Rate.

CFE also reviewed the differences between the XBTF Index and the daily CME CF Bitcoin Reference Rate, hourly CKBR and Kaiko Bitcoin Reference Rate, and weekly CoinDesk Bitcoin Price Index rate.

- The average difference between the XBTF Index and CME CF Bitcoin Reference Rate was 0.03%, the median difference was 0.02%, and the tracking error⁷ was 0.04%.
- The average difference between the XBTF Index and CKBR was 0.13%, the median difference was 0.11%, and the tracking error was 0.17%.
- The average difference between the XBTF Index and Kaiko Bitcoin Reference Rate was 0.14%, the median difference was 0.11%, and the tracking error was 0.18%.
- The average difference between the XBTF Index and Coindesk Bitcoin Price Index was

⁴ CFE reviewed the CME CF Reference Rates published daily at 4:00 p.m. ET.

⁵ CFE reviewed the CKBR and Kaiko Bitcoin Reference Rates published each hour.

⁶ CFE reviewed the CoinDesk Bitcoin Price Index rates published at weekly expiration on each Friday at 10:00 a.m.

⁷ A tracking error is a commonly used metric to gauge how well an asset is following a benchmark. A low tracking error demonstrates an asset is a strong proxy for a benchmark. Thus, the low tracking errors identified in this analysis demonstrate that the XBTF Index well represents day-to-day movements of bitcoin prices.

0.42%, the median difference was 0.33%, and the tracking error was 0.55%.

CFE's analysis demonstrates that the XBTF Index adequately and consistently represents the price of bitcoin in the spot market for bitcoin as reflected by the high price correlation between, and the marginal price divergence from, other bitcoin spot market indexes that are generally representative of the spot bitcoin market. CFE notes that the marginal differences in reference prices are by and large due to the differences in index methodology calculations between the different indexes.

Additionally, CFE conducted an analysis of the bitcoin trading volume during the final settlement value period (2:00 p.m. to 3:00 p.m.) between the XBTF Index and the MarketVector Coinbase Bitcoin Benchmark Rate, which is comprised only of Coinbase bitcoin spot market trading volume and is used to settle Coinbase bitcoin futures. That is, Coinbase bitcoin futures are based on prices sourced from only one digital asset exchange. CFE identified that, on average, the bitcoin trading volume included in the XBTF Index was 33.4% of the bitcoin trading volume included in the MarketVector Coinbase Bitcoin Benchmark Rate.

CFE believes the material level of bitcoin trading volume included in the XBTF Index along with the correlations between the XBTF Index and other prominent bitcoin indexes demonstrate that the XBTF Index is representative of the bitcoin spot market and that the digital asset exchange constituents of the XBTF Index experience sufficient levels of liquidity as compared to another bitcoin index on which competing futures products are currently offered for trading.

Contract Specifications

As further described in the attached summary product specifications chart for XBTF futures and in amended Chapter 22 of the CFE Rulebook, the contract specifications for XBTF futures include the following:

The Exchange may list for trading up to six monthly serial expirations and up to six monthly quarterly expirations on the March quarterly cycle for the XBTF futures product.

The final settlement date for an XBTF futures contract is the last business day of the calendar month denoted by the ticker symbol of the contract. If the final settlement date is a CFE holiday, the final settlement date shall be the business day immediately preceding the holiday.

There will be regular trading hours in XBTF futures on business days Monday through Friday from 8:30 a.m. to 3:00 p.m.

XBTF futures prices are stated in index points and decimal format. Each index point represents 1/10th of the price of bitcoin in U.S. dollars. Prices in XBTF futures may be in increments of 0.1 index points (equal to a dollar value per minimum increment of \$0.10 per contract). The minimum increment for the individual legs of spreads and the net prices of spreads in XBTF futures is 0.01 index points (equal to a dollar value per minimum increment of \$1.00 per contract).

The final settlement value of an expiring XBTF futures contract shall be the value of the XBTF Index, as determined by FTSE Russell, at the time of the close of regular trading hours in XBTF futures on the final settlement date of the expiring XBTF futures contract. Accordingly, the final settlement value of an expiring XBTF futures contract shall be the value of the XBTF Index, as determined by FTSE Russell, at 3:00 p.m. Chicago time on the final settlement date of the expiring XBTF futures contract if that final settlement date is on a normal business day. The final settlement value will be rounded to the nearest 0.1 index points.

Settlement of an XBTF futures contract will result in the delivery of a cash settlement amount on the business day immediately following the final settlement date of that contract. The cash settlement amount on the final settlement date shall be the final mark to market amount against the final settlement value of that XBTF futures contract multiplied by \$1.00 (which is the contract multiplier for XBTF futures). Like with other CFE products cleared by OCC, CFE rules for XBTF futures provide that if the final settlement value is not available or the normal settlement procedure cannot be utilized due to a trading disruption or other unusual circumstance, the final settlement value will be determined in accordance with the Rules and By-Laws of OCC.

The daily settlement price of a XBTF futures contract is calculated at the close of regular trading hours in XBTF futures on a business day, which is normally at 3:00 p.m. The daily settlement price of an XBTF futures contract is the average of the bid and the offer from the last best two-sided market in the contract during that business day which simultaneously includes both a pending bid with a non-zero value and a pending offer with a non-zero value. The Exchange may in its sole discretion establish a daily settlement price for an XBTF futures contract that it deems to be a fair and reasonable reflection of the market under certain conditions. In particular, the Exchange may exercise this authority if it determines in its sole discretion that the daily settlement price established by the above parameters is not a fair and reasonable reflection of the market or if there is a trading halt in the contract or other unusual circumstance at or around the scheduled close of trading hours for the contract on the applicable business day.

The allocation method for the trading of XBTF futures on CFE's trading system ("CFE System") is price-time priority.

Market Orders are not permitted in XBTF futures.

Block Trades are permitted in XBTF futures provided that they satisfy the requirements of CFE Rule 415 (Block Trades). The minimum Block Trade quantity for XBTF futures is 100 contracts if there is only one leg involved in the trade. If the Block Trade is executed as a spread transaction with multiple legs, each leg must meet the minimum Block Trade quantity for XBTF futures. Additionally, Derived Block Trades may be entered into in XBTF futures. A Derived Block Trade in XBTF futures may be executed as either a single leg transaction or a spread transaction. The minimum price increment for a Block Trade in XBTF futures is 0.05 index points.

Exchange of Contract for Related Position ("ECRP") transactions are also permitted in XBTF futures provided that they satisfy the requirements of CFE Rule 414 (Exchange of Contract for Related Position). These requirements include, among others, the requirement under Rule 414(b) that the related position must have a high degree of price correlation to the underlying of the futures transaction so that the futures transaction would serve as an appropriate hedge for the related position. The minimum price increment for an ECRP transaction in XBTF futures is 0.05 index points.

XBTF futures will be subject to automated price limits during XBTF futures trading hours. These price limits include a price limit for a minimum of 2 minutes in the event of an initial 20% upward or downward futures price movement and for a minimum of 5 minutes in the event of additional 10% upward or downward futures price movements.

Related Policy and Procedure Updates

In addition to the contract specification rules for XBTF futures in Chapter 22 of the CFE Rulebook, the Amendment makes an update to Policy and Procedure V (Emergency and Physical

Emergency Delegations and Procedures) (“P&P V”) in the Policies and Procedures Section of the CFE Rulebook.

P&P V sets forth delegations to take emergency actions which are provided for under CFE rules. New Rule 2202(k)(i) includes the price limit provisions for XBTF futures that are described above. Rule 2202(k)(i)(I) also provides that the CFE Trade Desk may, in its absolute and sole discretion, take any action it determines necessary to protect market integrity. This authority includes, but is not limited to, the authority to modify or eliminate the price limit parameters under Rule 2202(k)(i) at any time.

The Amendment updates P&P V to reference that the senior person in charge of the CFE Trade Desk has the authority to exercise the authority of the Trade Desk under Rule 2202(k)(i)(I). The CFE Trade Desk also retains the ability to halt trading in XBTF futures at any time if appropriate (including prior to reaching a particular price limit level) in the interest of protecting market integrity pursuant to Rule 2202(k)(i)(I) and under CFE’s emergency authority pursuant to CFE Rule 418 (Emergencies).

Potential Uses of XBTF Futures

Since the prices of XBTF futures are based on the XBTF Index, which reflects the price of bitcoin in the underlying spot bitcoin market, market participants may use XBTF futures to achieve both long and short exposure to the price of bitcoin. XBTF futures may allow miners to hedge production costs, bitcoin merchant processors to hedge inventories, merchants that accept bitcoin to hedge inventories, and holders of bitcoin to hedge their holdings. XBTF futures may also provide liquidity providers with a means to hedge their bitcoin exposure from their transactions in bitcoin on digital asset exchanges, spot bitcoin ETPs, spot bitcoin ETP options, and on other markets for bitcoin derivatives. XBTF futures may provide market participants that do not wish to transact in or hold spot digital assets with a way to gain exposure to bitcoin without the need to take or make delivery of the actual digital asset.

The contract size and price increments for XBTF futures are intended to provide market participants with flexibility in tailoring their exposure to the bitcoin ecosystem without the need to hold the underlying digital asset. The relatively smaller contract size and smaller price increments for XBTF futures are intended to enable liquidity providers to offset risk while providing quote-driven markets in the Product.

Legal Conditions

CFE has undertaken a due diligence review of the legal conditions, including conditions that relate to contractual and intellectual property rights, which may materially affect the trading of the Product. FTSE Russell has granted a license to Cboe Exchange, Inc. (“Cboe Options”) and its affiliated exchanges, including CFE, which permits CFE to list XBTF futures for trading.

Market Participant Input

CFE has conferred with CFE Trading Privilege Holders (“TPHs”), CFE Clearing Members, and other CFE market participants regarding their interest in transacting in and clearing for XBTF futures. Based on that input, CFE believes that there is interest in and demand for transacting in XBTF futures among CFE TPHs, Clearing Members, and market participants.

In particular, CFE believes based on this input that XBTF futures contracts will complement Cboe Bitcoin U.S. ETF Index securities options that are currently listed for trading on Cboe Options

and clear through OCC since XBTF futures will also clear through OCC. Among other things, listing XBTF futures on CFE will enable CFE TPHs and market participants as well as Cboe Options Trading Permit Holders and market participants to implement trading and hedging strategies relating to bitcoin through two products based on bitcoin that are both cleared through OCC.

DCM Core Principles

CFE believes that the Product and Amendment are consistent with the DCM Core Principles under Section 5 of the Act, including for the reasons described below. In particular, CFE believes that the Amendment is consistent with:

(i) DCM Core Principle 2 (Compliance with Rules) because CFE Rules include prohibitions against market manipulation and fraudulent, non-competitive, and disruptive trading practices that will apply to trading activity in XBTF futures and CFE will conduct monitoring and surveillance of trading in XBTF futures for compliance with CFE Rules;

(ii) DCM Core Principle 3 (Contracts Not Readily Susceptible to Manipulation) because of, among other things:

- The underlying bitcoin digital asset market is a highly liquid and capitalized market, in that the current 30-day moving average dollar value of USD-based bitcoin trading volume is approximately \$21.7 billion as of February 14, 2025.
- The methodology and constituent structure of the XBTF Index promotes the integrity of the final settlement value of XBTF futures and discourages manipulative conduct. They do so in the following manner:
 - The XBTF Index is calculated from a material amount of bitcoin trading volume from eight eligible digital asset exchanges during the final settlement period, as measured in relation to bitcoin trading volume on the sole constituent digital asset exchange used to calculate a rate that underlies a comparable digital asset futures product certified for trading by another DCM (as detailed above).
 - The XBTF Index accurately represents underlying bitcoin spot market prices. As demonstrated and explained above, the XBTF Index adequately and consistently represents the price of the bitcoin spot market due to high price correlation, insignificant levels of price divergence, and low tracking error as compared to other digital asset spot market indexes.
 - The XBTF Index is comprised of eight constituents. Therefore, to manipulate the index price, a market participant would have to manipulate the prices in most, if not all, of the constituent exchanges – a likely prohibitively costly endeavor. Arbitrage opportunities across multiple digital asset trading venues serve to reduce price discrepancies and converge prices.
 - Focusing volume-weighted calculations on the trading activity across constituent exchanges over an hour look-back period decreases the likelihood in any manipulation attempt of being able to manipulate the price over the full period of time by limiting the impact of any one transaction and highly mitigating the risk of incorporating outliers into the calculation. The one-hour look-back period also greatly increases the cost of any attempt to manipulate due to arbitrage opportunities during the calculation

window.

- The XBTF Index is calculated over 15-second windows using 10-minute look back periods. Calculation of the reference rate across multiple time-bound windows limits any impact of attempted manipulation because transactions executed in an attempt to manipulate during one window of time will only have a limited effect on the overall reference rate.
- The XBTF Index uses one VWAP for each constituent exchange in each 15-second window of trades to determine exchange price adherence. This mechanism provides for trades across all constituent exchanges to be represented in the XBTF Index value, to the extent possible, while removing outliers. If the current 15-second window VWAP for a constituent exchange is more than 1.5 standard deviations from the aggregate previous 10-minute period mean VWAP, the trades for that constituent exchange are removed from the current 15-second window calculation. The application of standard deviation reviews for distributions that may have outliers or may be skewed mitigates against potential attempts to manipulate the index.
- As described above, the methodology for the XBTF Index is designed to prevent price anomalies and minimize the impact of any one market deviating in price from the rest of the constituent exchanges through both exchange level filtration and trade level filtration. The Index Provider may also remove from the XBTF Index a constituent exchange with immediate effect if the Index Provider determines that the pricing integrity of a constituent exchange is in doubt, there has been a significant security breach involving the constituent exchange, or some other detrimental event has occurred that calls into question the continued inclusion of that exchange as a constituent exchange.
- Based on available information, each constituent exchange included in the XBTF Index has a set of rules or binding terms and conditions for participants, including provisions that prohibit participants from engaging in fraudulent acts, abusive practices, and/or market manipulation, and each constituent exchange implements and maintains an AML/KYC program.
- The underlying transactions utilized in the calculation of the XBTF Index are effectuated through transparent mechanisms. The trading data for these transactions is disseminated and made available by the constituent exchanges and includes bitcoin transactions by timestamp, symbol, price, and quantity.
- CFE conducted a simulated manipulation test for XBTF futures as further described above. Based on this test, CFE found that the “return on investment”— the value of the futures price movement divided by the total capital investment required to move the XBTF Index by 0.01%—was far less than 0.01%, even with unrealistic assumptions of zero transaction costs in spot and futures market trades and no market slippage upon exiting the spot market positions.
- CFE Regulation will surveil for potential manipulation of XBTF futures.
- The Index Provider will provide CFE with information regarding the bitcoin transactions (by timestamp, symbol, price, quantity, and constituent exchange) used to calculate the

- XBTF Index during final settlement value periods for XBTF futures (generally from 2:00 p.m. to 3:00 p.m. on a final settlement date) to assist CFE's ability to review trading relating to the calculation of the XBTF Index. CFE will review the bitcoin transactions that occur on those constituent exchanges during final settlement value periods using the above information.
- CFE has multiple ISAs in place with trading venues that offer trading in bitcoin and bitcoin related products (either directly or through an ISA with a CFE affiliate under which CFE has the ability to request and obtain information).
 - The ISAs in place between CFE and four of the underlying digital asset exchanges, which make up approximately 47.9% of the XBTF Index weight, will assist CFE in monitoring for market manipulation and abuses and in enforcing compliance with CFE rules. The ISAs allow CFE to request information from these underlying digital asset exchanges, including customer information on trades, that were used to calculate the XBTF Index.
 - While Kraken comprises approximately 41.3% of the XBTF Index weight, CFE understands that Kraken maintains a credible and transparent digital asset trading platform. Based on available information, Kraken is licensed as a money services business with FinCEN; maintains a rulebook that, among other things, implements various risk controls and allows it to suspend trading and/or access to maintain market integrity on the exchange; is SOC 2, Type 1 certified (demonstrating a high degree of systems and informational security); and is included as a constituent exchange in various indexes underlying derivatives products and ETPs offered for trading on other exchanges regulated by the CFTC or SEC.
 - CFE has an ISA in place with many exchanges via their common membership in the ISG and JCC. This facilitates the sharing of information with CFE that is available to the ISG and JCC members through surveillance of their markets. CFE has the ability to request information from all U.S. securities exchanges that list bitcoin ETPs, securities options on bitcoin ETPs, and potential other bitcoin securities products; from DCM members of the ISG and JCC that list bitcoin derivatives products; and from foreign exchange members of the ISG that may offer bitcoin products.
 - As detailed above, CFE has ISAs in place with trading venues that comprise approximately 42% of the USD bitcoin market share (either directly or through an ISA with a CFE affiliate under which CFE has the ability to request and obtain information).
 - The Index Provider has ISAs in place with all of the constituent exchanges for the XBTF Index. These ISAs enable the Index Provider to request and obtain executed price, volume, times, and quotes/order book data from the constituent exchanges. The Index Provider may share this information with CFE upon request and proactively if the Index Provider suspects any market manipulation at any time.
 - In its 2024 approval order of U.S. spot bitcoin ETPs, the SEC acknowledged that surveillance-sharing agreements with regulated markets of significant size are not the only acceptable method for listing exchanges to meet anti-fraud and anti-manipulation obligations. The SEC recognized that exchanges may satisfy these statutory requirements

through alternative means if they can sufficiently demonstrate their effectiveness.

- Pursuant to CFE Rule 501(c), CFE TPHs must make available to CFE upon request information and their books and records regarding their activities in a reference market of an index on which a CFE product is based. Thus, CFE TPHs are obligated to make available to CFE upon request information and their books and records regarding their activities on the constituent exchange bitcoin markets used to calculate the XBTF Index (irrespective of whether or not an ISA is in place between CFE and the underlying bitcoin exchange). Other CFE Market Participants (as defined by CFE Rule 308(c)) are also subject to the provisions of Rule 501(c) under CFE Rule 308(c) and Rule 308(d). A CFE Market Participant includes any Person initiating or executing a transaction on or subject to CFE rules directly or through an intermediary and any Person for whose benefit such a transaction has been initiated or executed.
- CFE has rules that prohibit fraudulent, manipulative, and disruptive trading practices that will apply to trading in XBTF futures, including among others, CFE Rule 601 (Fraudulent Acts), CFE Rule 603 (Market Manipulation), CFE Rule 604 (Adherence to Law), CFE Rule 620 (Disruptive Practices), and Policy and Procedure XVIII (Disruptive Trading Practices) of the Policies and Procedures Section of the CFE Rulebook. Activity encompassed by these rules includes prohibited activity that occurs directly through any trading, practice, or conduct in a CFE product or indirectly through any trading, practice, or conduct in the market of any commodity, security, index, or benchmark underlying a CFE product, regardless of the exchange on or market in which the underlying is transacted. Accordingly, these rules will apply to any prohibited activity under those rules that could occur directly through activity in XBTF futures and to any prohibited activity under those rules that could occur indirectly in transactions utilized in the calculation of the XBTF Index.

(iii) DCM Core Principle 4 (Prevention of Market Disruption) in that the price limit provisions applicable to XBTF futures (which provide for an upper and lower price limit during XBTF futures trading hours) will contribute toward reducing the potential risk of price distortions and market disruptions in XBTF futures;

(iv) DCM Core Principle 5 (Position Limits or Accountability) because, among other things:

- XBTF futures are subject to position limits and position aggregation under CFE Rule 412 and new Rule 2202(f). Specifically, a person may not own or control at any time more than 100,000 contracts net long or net short in all XBTF futures contracts expirations combined, without obtaining a permissible exemption.
- The position limit is well below 25% of the 16 million bitcoin deliverable supply.⁸ It is a common practice to set position limits so that no market participant holds no more than

⁸ The current supply of mined bitcoin is approximately 20 million bitcoins; however, approximately 20% of mined bitcoin is “burned”, or permanently lost. Therefore, the deliverable supply of bitcoin currently in circulation is approximately 16 million bitcoins, and 25% of that deliverable supply is approximately 4 million bitcoins.

25% of the deliverable supply of a commodity.⁹

- Based on quantitative analysis conducted by CFE to test a manipulation scenario as further described above, which assumes a position limit of 100,000 contracts, a participant would require a median total capital investment of over \$2.5 billion to move the bitcoin price by 0.01%. The median profit in this scenario would be just over \$12,000, assuming zero transaction costs, which is negligible in relation to the significant amount of the capital investment.
- Additionally, the reportable position level for large trader reporting in XBTF futures is 25 contracts. This reportable position level is equivalent to 2.5 bitcoins and is less than reportable position level recommended by prior CFTC staff guidance, which is that the reportable position level be set at 5 bitcoins.

Accordingly, the Amendment establishes an appropriate initial position limit for XBTF futures that will serve to reduce the potential for market manipulation in XBTF futures.

(v) DCM Core Principle 6 (Emergency Authority) in that CFE has rule provisions, including CFE Rule 418 (Emergencies), that provide CFE with the ability to exercise emergency authority as necessary and appropriate which will apply to trading in XBTF futures;

(vi) DCM Core Principle 7 (Availability of General Information) because the chart that summarizes the product specifications for XBTF futures will be posted and maintained on CFE's website;

(vii) DCM Core Principle 8 (Daily Publication of Trading Information) in that volume, open interest, daily settlement prices, final settlement prices, and other price information for XBTF futures will be made available publicly on a daily basis on CFE's website consistent with CFTC Regulation 16.01;

(viii) DCM Core Principle 9 (Execution of Transactions) because CFE will make XBTF futures available for trading on CFE's trading system which provides for a competitive, open, and efficient market and mechanism for executing transactions that protects the price discovery process of trading on CFE's centralized market;

(ix) DCM Core Principle 10 (Trade Information) because CFE will maintain trade information for XBTF futures as part of its audit trail and this information will be accessible to CFE Regulation for regulatory surveillance and enforcement purposes;

(x) DCM Core Principle 11 (Financial Integrity of Transactions) because XBTF futures will be cleared by OCC, which is registered with the Commission as a DCO and is subject to the provisions of the Act and CFTC regulations relating to DCOs;

(xi) DCM Core Principle 12 (Protection of Markets and Market Participants) in that CFE rules include prohibitions against abusive practices, including abusive practices committed by a party acting as an agent for a participant, which will apply in relation to XBTF futures;

⁹ For example, under the federal spot month position limits that apply to Core Referenced Futures Contracts, each spot month limit is set at or below 25% of estimated deliverable supply (available at <https://www.cftc.gov/IndustryOversight/MarketSurveillance/SpeculativeLimits/index.htm>).

(xii) DCM Core Principle 13 (Disciplinary Procedures) because CFE maintains disciplinary procedures and rules that authorize the Exchange to discipline market participants that commit CFE rule violations, including any rule violations relating to XBTF futures;

(xiii) DCM Core Principle 14 (Dispute Resolution) because the CFE Rules provide a mechanism for market participants to arbitrate disputes that arise out of transactions executed on or subject to the rules of the Exchange, including transactions in the Product;

(xiv) DCM Core Principle 18 (Recordkeeping) because CFE's recordkeeping procedures, established pursuant to Commission Regulation 1.31, will apply with respect to Exchange records relating to XBTF futures, including trade records and investigatory and disciplinary files;

(xv) DCM Core Principle 19 (Antitrust Considerations) because the listing of XBTF futures will promote competition with digital asset futures products that are offered for trading on other markets; and

(xvi) DCM Core Principle 20 (System Safeguards) because CFE maintains system safeguards controls and procedures for its operations and automated systems that will be utilized to facilitate trading in XBTF futures.

CFE believes that the impact of the Product and Amendment will be beneficial to the public and market participants. CFE is not aware of any substantive opposing views to the Product and Amendment. CFE hereby certifies that the Product and Amendment comply with the Act and the regulations thereunder. CFE further certifies that CFE has posted a notice of pending certification with the Commission and a copy of this submission on CFE's website (http://www.cboe.com/us/futures/regulation/rule_filings/cfe/) concurrent with the filing of this submission with the Commission.

Contact Information

Questions regarding this submission may be directed to Arthur Reinstein at (312) 786-7570 or Rebecca Tenuta at (773) 485-7926. Please reference our submission number CFE-2025-006 in any related correspondence.

Cboe Futures Exchange, LLC

/s/ Laura Fuson

By: Laura Fuson
Managing Director

EXHIBIT 1

**Summary Product Specifications Chart for
Cboe FTSE Bitcoin Index Futures**

CONTRACT NAME:	Cboe FTSE Bitcoin Index (“XBTF”) Futures							
LISTING DATE:								
DESCRIPTION:	XBTF futures are cash-settled futures contracts based on the price of bitcoin in U.S. dollars as reflected by the FTSE Bitcoin Reduced Value (1/10th) (“XBTF”) Index.							
CONTRACT EXPIRATIONS:	The Exchange may list for trading up to six monthly serial expirations and up to six monthly quarterly expirations on the March quarterly cycle for the XBTF futures product.							
TICKER SYMBOLS:	Futures Symbol: XBTF Index Symbol: XBTF Final Settlement Value Symbol: XBTF5							
TRADING HOURS:	<table border="1"> <tr> <td>Type of Trading</td> <td></td> </tr> <tr> <td>Hours</td> <td>Monday – Friday</td> </tr> <tr> <td>Regular</td> <td>8:30 a.m. to 3:00 p.m.</td> </tr> </table>	Type of Trading		Hours	Monday – Friday	Regular	8:30 a.m. to 3:00 p.m.	<ul style="list-style-type: none"> Market Orders will not be accepted by the Exchange for XBTF futures. Any Market Orders for XBTF futures received by the Exchange will be automatically rejected or canceled back to the sender. <p>All times referenced are Chicago time.</p>
Type of Trading								
Hours	Monday – Friday							
Regular	8:30 a.m. to 3:00 p.m.							
TRADING PLATFORM:	CFE System							
PRICING CONVENTIONS:	Prices of XBTF futures are expressed in index points in decimal format out to one decimal place.							
CONTRACT MULTIPLIER	The contract multiplier for XBTF futures is \$1.00.							
CONTRACT SIZE:	The notional size of an XBTF futures contract is 0.10 bitcoin. Each index point represents 1/10th of the price of bitcoin in U.S. dollars.							
MINIMUM PRICE INTERVALS:	<p>Prices in XBTF futures may be in increments of 0.1 index points (equal to a dollar value per minimum increment of \$0.10 per contract).</p> <p>The individual legs and net prices of spreads in XBTF futures may be in increments of 0.05 index points (equal to \$0.05 per contract).</p>							
TRADE AT SETTLEMENT TRANSACTIONS:	Trade at Settlement (“TAS”) transactions are not permitted in XBTF futures.							
CROSSING:	The eligible size for an original Order that may be entered for a cross trade with one or more other original Orders pursuant to Rule 407 is one contract. The Trading Privilege Holder or Authorized Trader, as applicable, must expose to the market for at least five seconds under Rule 407(a) at least one of the original Orders that it intends to cross.							
PRE-EXECUTION DISCUSSIONS	The Order Exposure Period under Policy and Procedure IV before an Order may be entered to take the other side of another Order with respect to which there has been pre-execution discussions is five seconds after the first Order was entered into the CFE System.							
EXCHANGE OF CONTRACT FOR RELATED POSITION	Exchange of Contract for Related Position (“ECRP”) transactions may be entered into with respect to XBTF futures. Any ECRP							

TRANSACTIONS:	<p>transaction must satisfy the requirements of CFE Rule 414.</p> <p>The minimum price increment for an ECRP transaction involving XBTF futures is 0.05 index points.</p>
BLOCK TRADES:	<p>Block Trades may be entered into in XBTF futures. Any Block Trade must satisfy the requirements of Rule 415.</p> <p>The minimum Block Trade quantity for XBTF futures is 100 contracts if there is only one leg involved in the trade. If the Block Trade is executed as a transaction with legs in multiple contract expirations, each leg must meet the minimum Block Trade quantity for XBTF futures. Any Block Trade must satisfy the requirements of Rule 415.</p> <p>The minimum price increment for Block Trades in XBTF futures is 0.05 index points.</p> <p>Derived Block Trades may be entered into in XBTF futures. A Derived Block Trade in XBTF futures may be executed as either a single leg transaction or a spread transaction.</p>
NO-BUST RANGE:	<p>The CFE error trade policy may only be invoked for a trade price that is greater than 10% on either side of the market price of the applicable XBTF futures Contract. In accordance with Policy and Procedure III, the Trade Desk will determine what the true market price for the relevant Contract was immediately before the potential error trade occurred. In making that determination, the Trade Desk may consider all relevant factors, including the last trade price for such Contract, a better bid or offer price, a more recent price in a different contract expiration, and the prices of related contracts trading on the Exchange or other markets.</p>
TERMINATION OF TRADING:	<p>Trading hours in an expiring XBTF futures contract end at 3:00 p.m. Chicago time on its final settlement date.</p>
FINAL SETTLEMENT DATE:	<p>The final settlement date for an XBTF futures contract is the last business day of the calendar month denoted by the ticker symbol of the contract.</p> <p>If the final settlement date is a CFE holiday, the final settlement date shall be the business day immediately preceding the holiday.</p>
FINAL SETTLEMENT VALUE:	<p>The final settlement value of an expiring XBTF futures contract shall be the value of the XBTF Index, as determined by FTSE Russell, at the time of the close of regular trading hours in XBTF futures on the final settlement date of the expiring XBTF futures contract. Accordingly, the final settlement value of an expiring XBTF futures contract shall be the value of the XBTF Index, as determined by FTSE Russell, at 3:00 p.m. Chicago time on the final settlement date of the expiring XBTF futures contract if that final settlement date is on a normal business day.</p> <p>If the final settlement value is not available or the normal settlement procedure cannot be utilized due to a trading disruption or other unusual circumstance, the final settlement value will be determined in</p>

	<p>accordance with the Rules and Bylaws of The Options Clearing Corporation.</p> <p>The final settlement value will be rounded to the nearest 0.1 index points.</p>
DELIVERY:	<p>Settlement of an XBTF futures contract will result in the delivery of a cash settlement amount on the business day immediately following the final settlement date of that contract. The cash settlement amount on the final settlement date shall be the final mark to market amount against the final settlement value of that XBTF futures contract multiplied by \$1.00</p>
POSITION LIMITS:	<p>XBTF futures are subject to position limits under Rule 412.</p> <p>A Person may not own or control more than 100,000 contracts net long or net short in all XBTF futures contract expirations combined.</p> <p>For the purposes of Rule 412, positions shall be aggregated in accordance with Rule 412(e).</p> <p>The foregoing position limit shall not apply to positions that are subject to a position limit exemption meeting the requirements of Commission Regulations and CFE Rules.</p>
REPORTABLE POSITION LEVEL:	<p>25 contracts.</p>
FORKS	<p>In the event that bitcoin experiences a fork, the form of bitcoin on which all then currently listed and subsequently listed XBTF futures contracts and their final settlement values will be based is the form of bitcoin that is used by FTSE Russell to calculate the XBTF Index following the fork.</p>

EXHIBIT 2

The Amendment, marked to show additions in underlined text and deletions in ~~stricken~~ text, consists of the following:

* * * * *

Cboe Futures Exchange, LLC Rulebook

* * * * *

CHAPTER 22 ~~RESERVED~~ CBOE FTSE BITCOIN INDEX FUTURES CONTRACT SPECIFICATIONS

2201. Scope of Chapter

This chapter applies to trading in Cboe FTSE Bitcoin Index futures (Futures Symbol: XBTF). The procedures for trading, clearing, settlement and any other matters not specifically covered in this chapter are governed by the generally applicable rules of the Exchange. XBTF futures were first listed for trading on the Exchange on _____.

2202. Contract Specifications

(a) *Schedule and Prohibited Order Types.* The Exchange may list for trading XBTF futures contracts with the following expirations: (i) up to six monthly serial expirations and (ii) up to six monthly quarterly expirations on the March quarterly cycle.

The final settlement date for an XBTF futures contract is the last Business Day of the calendar month denoted by the ticker symbol of the contract. If the final settlement date is a CFE holiday, the final settlement date shall be the Business Day immediately preceding the holiday.

The trading days for XBTF futures are any Business Days the Exchange is open for trading.

The trading hours for XBTF futures are regular trading hours from 8:30 a.m. Chicago time to 3:00 p.m. Chicago time.

Market Orders for XBTF futures will not be accepted by the Exchange. Any Market Orders for XBTF futures received by the Exchange will be automatically rejected or canceled back to the sender.

(b) *Pricing Conventions.* Prices of XBTF futures are expressed in index points in decimal format out to one decimal place.

(c) *Contract Size.* Each index point represents 1/10th of the price of bitcoin in U.S. dollars.

(d) *Contract Multiplier.* The contract multiplier for XBTF futures is \$1.00.

(e) *Minimum Increments.* The minimum fluctuation in XBTF futures is 0.1 index points (equal to a dollar value per minimum increment of \$0.10 per contract).

The individual legs and net prices of spreads in XBTF futures is 0.05 index points (equal to \$0.05 per contract).

(f) Position Limits. XBTF futures are subject to position limits under Rule 412.

A Person may not own or control more than 100,000 contracts net long or net short in all XBTF futures contract expirations combined.

For the purposes of this Rule, positions shall be aggregated in accordance with Rule 412(e).

The foregoing position limit shall not apply to positions that are subject to a position limit exemption meeting the requirements of Commission Regulations and CFE Rules.

(g) Termination of Trading. Trading hours in an expiring XBTF futures contract end at 3:00 p.m. Chicago time on its final settlement date.

(h) Contract Modifications. Specifications are fixed as of the first day of trading of a contract. If any U.S. government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

(i) Execution Priorities. Pursuant to Rule 406(a)(i), the base allocation method of price-time priority shall apply to trading in XBTF futures.

(j) Crossing Two Original Orders. The eligible size for an original Order that may be entered for a cross trade with one or more other original Orders pursuant to Rule 407 is one contract. The Trading Privilege Holder or Authorized Trader, as applicable, must expose to the market for at least five seconds under Rule 407(a) at least one of the original Orders that it intends to cross.

(k) Price Limits and Halts.

(i) Price Limits. Pursuant to Rule 413, XBTF futures are subject to the following price limits during regular trading hours to the extent set forth below:

(A) Each single leg XBTF futures contract shall have price limits that are at an initial 20% interval and subsequent 10% intervals above the XBTF Reference Price for that XBTF futures contract (each an "Upper Price Limit") and price limits that are at an initial 20% and subsequent 10% intervals below the XBTF Reference Price for that XBTF futures contract (each a "Lower Price Limit"). An Upper Price Limit and a Lower Price Limit may also be referred to as a "Price Limit."

(B) Price Limits shall be in effect during the following time frames on a Business Day:

(1) When the most recent daily settlement prices for XBTF futures contracts were established on the calendar day of the start of that Business Day, the price limit provisions of this Rule

2202(k)(i):

(aa) shall be applicable during any opening process for each single leg XBTF futures contract on that Business Day, and

(bb) shall be applicable during the remainder of the Business Day.

(cc) subject to Rule 2202(k)(i)(B)(3) below.

(2) When the most recent daily settlement prices for XBTF futures contracts were established on an earlier calendar day than the calendar day of the start of that Business Day, the price limit provisions of this Rule 2202(k)(i):

(aa) shall not be applicable on that Business Day for a single leg XBTF futures contract until the XBTF Reference Price for that contract has been established by or following the initial opening process on that Business Day, and

(bb) shall be applicable during the remainder of that Business Day,

(cc) subject to Rule 2202(k)(i)(B)(3) below.

(3) In the event that there is a previously designated suspension period within a holiday trading session on that Business Day, the price limit provisions of this Rule 2202(k)(i):

(aa) shall not be applicable for any single leg XBTF futures contract following the commencement of the previously designated suspension period until the XBTF Reference Price for that contract has been established by or following the initial opening process after that suspension period, and

(bb) shall then be applicable during the remainder of that Business Day.

(C) The following describes the process for the adjustment of Price Limit levels during the time frames in which Price Limits are in effect on a Business Day:

(1) If during Trading Hours outside of an opening process the best bid for a single leg XBTF futures contract is at the initial 20% Upper Price Limit or the best offer for a single leg XBTF futures contract is at the initial 20% Lower Price Limit, the Trade Desk will retain the Price Limit at that Price Limit level for a minimum of two additional minutes.

(2) The Trade Desk may then adjust the applicable Price Limit to the next 10% Upper Price Limit level in the case of this occurrence with an Upper Price Limit and may then adjust the applicable Price Limit to the next 10% Lower Price Limit level in the case of this occurrence with a Lower Price Limit.

(3) If during Trading Hours outside of an opening process the best bid for a single leg XBTF futures contract is then at the next 10% Upper Price Limit or the best offer for a single leg XBTF futures contract is then at the next 10% Lower Price Limit, the Trade Desk will retain the Price Limit at that Price Limit level for a minimum of five additional minutes.

(4) The process described in Rule 2202(k)(i)(C)(2) and (3) will then continue for the remainder of the applicable Business Day.

(D) When Price Limits are in effect during a Business Day:

(1) The CFE System will reject or cancel back to the sender any Limit Order to buy with a limit price that is above the Upper Price Limit and any Limit Order to sell with a limit price that is below the Lower Price Limit.

(2) The CFE System will not consummate the execution of any trade that is at a price that is more than the Upper Price Limit or that is less than the Lower Price Limit.

(3) Upon the triggering of a Stop Limit Order, the CFE System will cancel the Stop Limit Order back to the sender if it is a Stop Limit Order to buy that is triggered to a limit price which is above the Upper Price Limit or is a Stop Limit Order to sell that is triggered to a limit price which is below the Lower Price Limit.

(E) Price Limits will also apply to XBTF Spread Orders in that each leg of an XBTF Spread Order will be subject to the applicable Upper Price Limit and Lower Price Limit for that individual leg and may not be executed at a price that is more than the Upper Price Limit for that single leg XBTF futures contract or less than the Lower Price Limit for that single leg XBTF futures contract.

(F) The XBTF Reference Price for each single leg XBTF futures contract on a Business Day shall be determined in the following manner:

(1) For any single leg XBTF futures contract for which the most recent daily settlement price was established on the calendar day of the start of that Business Day, the XBTF Reference Price will be daily settlement price of that XBTF futures contract on the prior Business Day (subject to Rule 2202(k)(i)(F)(3) below).

(2) For any single leg XBTF futures contract for which the most recent daily settlement price was established on an earlier calendar day than the calendar day of the start of that Business Day, the XBTF Reference Price will be the first trade price of that XBTF futures contract established by or following the initial opening process on that Business Day (subject to Rule 2202(k)(i)(F)(3) below).

(3) If a Business Day includes a previously designated suspension period within a holiday trading session on that Business Day, the XBTF Reference Price following the designated suspension period will be the first trade price of that XBTF futures contract established by or following the initial opening process after that suspension period.

(4) The first trade price of a single leg XBTF futures contract established by or following an opening process may be established by a trade between two single leg Orders, by a trade between a single leg Order and the leg of a Spread Order or by the leg print of a trade between two Spread Orders.

(G) The XBTF Reference Price for a single leg XBTF futures contract shall be determined in the following manner when it is initially listed for trading:

(1) The XBTF Reference Price that will be utilized for a single leg XBTF futures contract when it is initially listed for trading will be the XBTF Reference Price of the single leg XBTF futures contract with the nearest expiration date in calendar days to the expiration date of the newly listed XBTF futures contract (subject to Rule 2202(k)(i)(G)(3) below).

(2) If there is a single leg XBTF futures contract with an earlier expiration date and a single leg XBTF futures contract with a later expiration date that each meet the above criterion, the XBTF Reference Price for the XBTF futures contract with the earlier expiration date will be utilized (subject to Rule 2202(k)(i)(G)(3) below).

(3) If the most recent daily settlement prices for previously listed XBTF futures contracts were established on an earlier calendar day than the calendar day of the initial listing of the applicable single leg XBTF futures contract or if no XBTF futures contracts were listed for trading on the date prior to the listing date of a single leg XBTF futures contract, the initial XBTF Reference Price for that XBTF futures contract will be the first trade price of that XBTF futures contract established by or following the initial opening process for that XBTF futures contract.

(H) In calculating a Price Limit, the calculation will be rounded to the nearest minimum increment in the XBTF futures contract, with the midpoint between two consecutive increments rounded up.

(I) Notwithstanding any provisions of this Rule 2202(k)(i), the Trade Desk may, in its absolute and sole discretion, take any action it determines necessary to protect market integrity. For avoidance of doubt, this authority includes, but is not limited to, modifying or eliminating the Price Limit parameters in this Rule 2202(k)(i) at any time. Among others, one type of situation in which the Trade Desk may determine to modify or eliminate Price Limit parameters in this Rule 2202(k)(i) is during the last 15 minutes of trading on a Business Day. The senior person in charge of the Trade Desk may exercise the authority of the Trade Desk under Rule 2202(k)(i)(C) and this Rule 2202(k)(i)(I). The Trade Desk will promptly issue an alert with respect to actions taken pursuant to Rule 2202(k)(i)(C) or this Rule 2202(k)(i)(I).

(ii) *Inapplicability of Circuit Breaker Halts.* The provisions of Rule 417A are not applicable to XBTF futures.

(l) *Exchange of Contract for Related Position.* Exchange of Contract for Related Position transactions, as set forth in Rule 414, may be entered into with respect to XBTF futures. Any Exchange of Contract for Related Position transaction must satisfy the requirements of Rule 414.

The minimum price increment for an Exchange of Contract for Related Position involving XBTF futures is 0.05 index points.

(m) *Block Trades.* Pursuant to Rule 415(a)(i), the minimum Block Trade quantity for XBTF futures is 100 contracts if there is only one leg involved in the trade. If the Block Trade is executed as a transaction with legs in multiple contract expirations, each leg must meet the minimum Block Trade quantity for XBTF futures. Any Block Trade must satisfy the requirements of Rule 415.

The minimum price increment for a Block Trade in XBTF futures is 0.05 index points.

Derived Block Trades, as set forth in Rule 415(s), may be entered into in XBTF futures. A Derived Block Trade in XBTF futures may be executed as either a single leg transaction or a spread transaction.

(n) *No-Bust Range.* Pursuant to Rule 416, the CFE error trade policy may only be invoked for a trade price that is greater than 1% on either side of the market price of the applicable XBTF futures contract. In accordance with Policy and Procedure III, the Trade Desk will determine what the true market price for the relevant XBTF futures contract was immediately before the potential error trade occurred. In making that determination, the Trade Desk may consider all relevant factors, including the last trade price for that XBTF futures contract, a better bid or offer price, a more recent price in a different contract month and the prices of related contracts trading in other markets.

(o) *Pre-execution Discussions.* The Order Exposure Period under Policy and Procedure IV before an Order may be entered to take the other side of another Order with respect to which there has been pre-execution discussions is five seconds after the first Order was entered into the CFE System.

(p) *Reportable Position and Trading Volume.*

(i) Reportable Position. Pursuant to Commission Regulation §15.03 and Commission Regulation Part 17, the position level that is required to be reported to the Commission is any open position in XBTF futures contracts at the close of trading on any trading day equal to or in excess of 25 contracts on either side of the market.

(ii) Reportable Trading Volume. Pursuant to Commission Regulation §15.04 and Commission Regulation Part 17, the reportable trading volume that triggers the requirement to report a volume threshold account to the Commission is 50 or more XBTF futures contracts during a single trading day or such other reportable trading volume threshold as may be designated by the Commission.

(q) Threshold Widths. For purposes Rule 513A(f), 10% is the percentage used to determine the percentage of the mid-point between the highest bid and lowest offer in each XBTF futures contract for purposes of calculating the Threshold Width in that XBTF futures contract.

(r) Daily Settlement Price. The daily settlement price for an XBTF futures contract is calculated in the following manner for each Business Day:

(i) The daily settlement price for an XBTF futures Contract is the average of the bid and the offer from the last best two-sided market in that XBTF futures Contract during the applicable Business Day which simultaneously includes both a pending bid with a non-zero value and a pending offer with a non-zero value. If a two-sided market includes either no bid or no offer, the bid or offer would be considered to have a zero value and that two-sided market would not be used for this purpose.

(ii) The daily settlement price may go out to four decimal places and may be a price that is not at a minimum increment for the XBTF futures Contract.

(iii) The Exchange may in its sole discretion establish a daily settlement price for an XBTF futures contract that it deems to be a fair and reasonable reflection of the market if:

(A) the Exchange determines in its sole discretion that the daily settlement price determined by the parameters set forth in Rule 2202(r)(i) is not a fair and reasonable reflection of the market; or

(B) there is a trading halt in the XBTF futures Contract or other unusual circumstance at or around the scheduled close of trading hours for the XBTF futures Contract on the applicable Business Day.

(s) Trade at Settlement Transactions. Trade at Settlement (“TAS”) transactions pursuant to Rule 404A are not permitted in XBTF futures.

(t) Price Reasonability Checks. The Limit Order price reasonability percentage parameters designated by the Exchange for XBTF futures pursuant to Rule 513A(d) shall be 10%.

2203. Clearance and Settlement

The Clearing House for transactions in XBTF futures is OCC.

The final settlement value of an expiring XBTF futures contract shall be the value of the XBTF Index, as determined by FTSE Russell, at the time of the close of regular trading hours in XBTF futures on the final settlement date of the expiring XBTF futures contract. Accordingly, the final settlement value of an expiring XBTF futures contract shall be the value of the XBTF Index, as determined by FTSE Russell, at 3:00 p.m. Chicago time on the final settlement date of the expiring XBTF futures contract if that final settlement date is on a normal business day.

The final settlement value will be rounded to the nearest 0.1 index points.

Settlement of an XBTF futures contract will result in the delivery of a cash settlement amount on the business day immediately following the final settlement date of that contract. The cash settlement amount on the final settlement date shall be the final mark to market amount against the final settlement value of that XBTF futures contract multiplied by \$1.00.

Clearing Members holding open positions in an XBTF futures Contract at the termination of trading in that Contract shall make payment to or receive payment from OCC in accordance with normal variation and performance bond procedures based on the final settlement amount.

If the final settlement value is not available or the normal settlement procedure cannot be utilized due to a trading disruption or other unusual circumstance, the final settlement value will be determined in accordance with the Rules and Bylaws of OCC.

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**Cboe Futures Exchange, LLC
Policies and Procedures Section of Rulebook**

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**Policy and Procedure V. Emergency and Physical Emergency Delegations and Procedures
(Rules 135 and 418)**

A. *Specific Emergency and Physical Emergency Delegations*

1. Emergency Delegations

Chapter 1 defines the term “Emergency” and provides a non-exclusive list of circumstances that may constitute an Emergency.

Rule 418(a) grants the President or any individual designated by the President the authority to determine on behalf of the Board the existence of an Emergency and the authority to take actions in response to an Emergency, including all of the actions listed below. The President or the President’s designee may also order the removal of any restriction previously imposed based upon a determination that the Emergency no longer exists or has sufficiently abated to permit the function of the Exchange to continue in an orderly manner.

Pursuant to Rule 418(a), the following individuals in addition to the President are authorized as designees of the President to determine the existence of an Emergency and to take the actions specified in the delegations below in response to an Emergency. These additional individuals may also order the removal of any restriction that the applicable individual has been delegated the authority to impose based upon a determination by the applicable individual that the Emergency no longer exists or has sufficiently abated to permit the function of the Exchange to continue in an orderly manner.

The Senior Person in Charge of the Trade Desk refers to the individual in charge of the Trade Desk at the applicable time.

Rule	Emergency Actions	Emergency Delegations
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1202(i)(i)(H) 1302(i)(i)(H) 1402(l)(i)(I) 1502(i)(i)(H) 1702(i)(i)(H) 2002(l)(i)(I) 2102(l)(i)(I) 2202(l)(i)(I) <u>2202(k)(i)(I)</u> 2502(l)(i)(I) 418(a)(iv)	Action necessary to protect market integrity, such as imposing or modifying price limits with respect to any Contract	<ul style="list-style-type: none"> <li data-bbox="919 806 1430 837">Senior Person in Charge of Trade Desk
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