

Bitnomial Exchange, LLC
325 W Huron Street
Chicago, Illinois 60654

June 12, 2026

VIA ELECTRONIC MAIL (DMOletters@cftc.gov)

Mr. Josh Beale
Acting Director
Division of Market Oversight
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Request for No-Action Relief Regarding Trading of Perpetual Futures Contracts Pursuant to Certified Rule Amendments

Dear Acting Director Beale:

Bitnomial Exchange, LLC (“Exchange”), a designated contract market (“DCM”) registered with the Commodity Futures Trading Commission (“Commission” or “CFTC”), respectfully requests that the Division of Market Oversight (“DMO” or the “Division”) issue a no-action letter confirming that the Division will not recommend an enforcement action against the Exchange if the Exchange updates the terms of its existing digital commodity futures contracts (the “Existing Contracts”)¹ in order to convert them into perpetual-style futures contracts pursuant to the Exchange’s May 29, 2026 CFTC Rule 40.6 filing.²

I. Background

On May 29, 2026, the Exchange submitted a CFTC Rule 40.6 self-certification to the Commission, certifying amendments to the Exchange’s rules to permit the trading of perpetual futures contracts on the Exchange. The rule amendments will be deemed certified on June 12, 2026, upon expiration of the ten-business-day review period.

¹ Please refer to Appendix A of this request for a list of the Exchange’s Existing Contracts.

² See Bitnomial Exchange, LLC, BTNL 2026-64 - Self-Certification Pursuant to CFTC Regulation 40.6 – Updates to Rules 101 and 502 to Eliminate Expiration on Perpetual Futures Contracts and Rule 509 Clarification (May 29, 2026) (“Bitnomial Filing”).

The Existing Contracts carry a 25-year expiration date. In all material, functional, and economic respects, the Existing Contracts operate identically to the perpetual futures contract recently approved by the Commission in its May 29, 2026 Order³: they have an indefinite economic horizon, positions are marked to market on a continuous basis, and the contracts employ a periodic funding rate mechanism that adjusts variation margin based on the difference between the contract's mark price and the underlying reference price to maintain price convergence with the underlying spot market.⁴ The sole distinction between the Existing Contracts and a perpetual futures contract as described in the Order is the 25-year expiration date embedded in the contract terms.

In the Order, the Commission determined that it would not violate the Commodity Exchange Act (“CEA”) or the Commission's regulations for DCMs to list perpetual futures contracts referencing the spot price of bitcoin or other digital commodities that have “deep, active, and continuous” spot market trading.⁵ The Commission further stated that this analysis is limited to perpetual contracts referencing digital commodities and noted that certain jurisdictional and market attributes of the asset class underlying a perpetual contract (including the presence, or absence, of continually available spot price data) may be relevant to regulatory treatment and compliance considerations.⁶

Given the characteristics of the Existing Contracts, which are materially similar to the contracts discussed in the Order, the Exchange seeks to conform the Existing Contracts to the framework approved by the Commission by removing the 25-year expiry (which was only included in the first instance as a perceived administrative, but not functional, requirement) as provided for in the Bitnomial Filing. No other material feature of the Existing Contracts (including the funding rate mechanism, contract size, reference price, margin requirements, or clearing arrangements) will change. The requested relief would be limited solely to the contracts listed in Appendix A to this request, consistent with the scope of the Order.

II. Customer Protection Considerations

Perpetual contracts “eliminate the need for traders to roll contracts regularly, trade with a much smaller basis to the spot market due to the funding rate mechanism, and allow liquidity to be concentrated in a single contract rather than fragmented across multiple expiration dates.”⁷ Because the Existing Contracts already employ the same periodic funding rate mechanism and operational characteristics as a perpetual future, removing the 25-year expiry does not alter the economic substance, risk profile, or trading behavior of these contracts in

³ See *In re* Request for Approval by KalshiEX LLC of the BTCPERP Futures Contract (May 29, 2026) (the “Order”).

⁴ *Id.* at 2. (“The BTCPERP Contract has an indefinite (or “perpetual”) term, such that it will not expire on a fixed date. Positions are marked to market on a continuous basis. In order to maintain price convergence with the underlying reference price, the BTCPERP Contract employs a periodic funding mechanism whereby long and short position holders exchange funding payments that are based on the difference between the contract’s mark price and the underlying reference price.”).

⁵ *Id.* at 8.

⁶ *Id.* at 8–9.

⁷ *Id.* at 2 (citing Kalshi, KalshiEX LLC— Commission Regulation 40.3(a), Voluntary submission of new products for Commission review and approval regarding the Initial Listing of the BTCPERP Futures Contract (May 28, 2026) at App. A at 8, App. C at 14-15, and App. D at 16-18).

any way. Customers who currently hold open interest in the Existing Contracts will experience no change in how their positions are margined, marked to market, or settled. Further, our economic analysis demonstrates zero practical impact to the pricing of these products, if the change is made at this time (given the long timeline to expiry). The modification is purely formal.

Requiring the Exchange to facilitate the closure of open interest in the Existing Contracts, or to de-list the Existing Contracts and then re-list them as new contracts would, by contrast, impose unnecessary costs and operational burdens on market participants, including forced liquidation of existing positions, potential loss of price continuity, and disruption of hedging strategies, without any corresponding regulatory benefit. Pursuant to its CFTC Rule 40.6 filing, the Exchange has notified all customers of the change. We are unaware of any market participant holding a position who objects to this change, especially given the de minimis open interest that currently exists in the Existing Contracts.

III. Consistency with DCM Core Principles

Granting this relief is consistent with the following Core Principles under Part 38 of the Commission's regulations:

- **Core Principle 3 (Contracts Not Readily Subject to Manipulation), 17 C.F.R. § 38.200:** The Existing Contracts already satisfy this Core Principle, and that determination is unaffected by the removal of a distant expiry date. The digital commodities underlying these contracts trade 24/7 across broadly distributed venues with deep and liquid spot markets, providing continuously observable reference prices that protect against manipulation of the funding rate mechanism. These are the same characteristics the Commission identified in the Order as supporting the design of perpetual futures contracts.⁸
- **Core Principle 4 (Prevention of Market Disruption), 17 C.F.R. § 38.250:** The Exchange's existing market surveillance, compliance, and enforcement infrastructure, including real-time monitoring and trade reconstruction capabilities, will continue to apply to the modified contracts without alteration. No new manipulation or market disruption risks are introduced by removing the expiry.
- **Core Principle 7 (Availability of General Information), 17 C.F.R. § 38.400:** The Exchange will promptly update and publicly disclose the revised terms and conditions of the modified contracts, ensuring the Commission, participants, and the public have access to accurate information.
- **Core Principle 11 (Financial Integrity of Transactions), 17 C.F.R. § 38.600:** The clearing, settlement, margin, and customer fund protection rules applicable to the Existing Contracts remain entirely unchanged. As the Commission confirmed in the Order, customer positions in perpetual futures contracts and collateral margining such positions shall be held in the futures account at both the futures

⁸ *Id.* at 7.

commission merchant and the derivatives clearing organization.⁹ The Exchange's contracts are and will remain subject to this same framework.

- **Core Principle 12 (Protection of Markets and Market Participants), 17 C.F.R. § 38.650:** The Exchange's rules protecting market participants from abusive practices and promoting fair and equitable trading apply equally to perpetual and dated futures contracts. The removal of the expiry date does not create additional risk of abuse or unfair trading.
- **Core Principle 16 (Conflicts of Interest), 17 C.F.R. § 38.850:** The decision to remove the expiry date was made through the Exchange's established governance processes, consistent with its conflict-of-interest policies. The modification confers no preferential benefit on any class of market participant and was undertaken solely to conform the Existing Contracts to the regulatory framework approved in the Order.

IV. Request

For the foregoing reasons, the Exchange respectfully requests that the Division issue a no-action letter confirming that the Division will not recommend enforcement action if the Exchange updates the terms of its Existing Contracts in order to convert them into perpetual-style futures contracts pursuant to the rule amendments certified in the CFTC Rule 40.6 Bitnomial Filing, which become effective on June 12, 2026, provided that the contracts listed are limited to perpetual futures on digital commodities (listed in Appendix A of this request) with the same market characteristics identified by the Commission in the Order.

The Exchange is available at the Division's convenience to discuss this request or to provide any additional information the Division may require. If you have any questions or require further information or documentation, please contact the undersigned at james.walsh@bitnomial.com.

Respectfully submitted,

/s/ James Walsh

James Walsh

Chief Regulatory Officer

Bitnomial Exchange, LLC

(312) 883-5851

⁹ *Id.* at 9.

Certification and Undertaking

I hereby certify that the material facts set forth in the attached letter dated June 11, 2026 are true and complete to the best of my knowledge.

/s/ James Walsh

James Walsh

Chief Regulatory Officer

Bitnomial Exchange, LLC

On behalf of Bitnomial Exchange, LLC, the signatory above undertakes that, if at any time prior to the Division's issuance of a response to this request any material representation made herein ceases to be true and complete, Bitnomial Exchange will promptly inform Commission staff in writing of all materially changed facts and circumstances. If a material change in facts or circumstances occurs subsequent to issuance of a staff response, Bitnomial Exchange will promptly so inform Commission staff.

/s/ James Walsh

James Walsh

Chief Regulatory Officer

Bitnomial Exchange, LLC

Appendix A

1. PSHBUNZ50 – Perpetual Shiba Inu US Dollar Myra Future
2. PBCHUSZ50 – Perpetual Bitcoin Cash US Dollar Standard Future
3. PXTZUKZ50 – Perpetual Tezos US Dollar Kilo Future
4. PDOTUHZ50 – Perpetual Polkadot US Dollar Hecto Future
5. PLTCUSZ50 – Perpetual Litecoin US Dollar Standard Future
6. PHBRUKZ50 – Perpetual Hedera US Dollar Kilo Future
7. PETHUIZ50 – Perpetual Ethereum US Dollar Deci Future
8. PSOLUSZ50 – Perpetual Solana US Dollar Standard Future
9. PXMLUKZ50 – Perpetual Stellar US Dollar Kilo Future
10. PADAUKZ50 – Perpetual Cardano US Dollar Kilo Future
11. PLNKUDZ50 – Perpetual Chainlink US Dollar Deca Future
12. PBTCUCZ50 – Perpetual Bitcoin US Dollar Centi Future
13. PDOGUKZ50 – Perpetual Dogecoin US Dollar Kilo Future
14. PAVXUDZ50 – Perpetual Avalanche US Dollar Deca Future
15. PAVEUSZ50 – Perpetual Aave US Dollar Standard Future
16. PXRPUHZ50 – Perpetual XRP US Dollar Hecto Future