



April 21, 2020

BY ELECTRONIC FILING

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

Re: Amendments to the Eris Exchange Rulebook Incorporating Fork Policy (Eris Exchange, LLC Submission #2020-01E)

Dear Mr. Kirkpatrick:

Eris Exchange, LLC (“Eris Exchange” or the “Exchange”) hereby submits for self-certification to the Commodity Futures Trading Commission (the “CFTC” or the “Commission”), under Commission regulation 40.6(a), the following amendments to Eris Exchange Rulebook (the “Rulebook”). The proposed changes will become effective on or after May 6, 2020.

Explanation and Analysis

At the request of Commission staff, the Exchange is adopting Rule 911 to clarify its approach as to existing holders of Digital Currency futures contracts in the event of a fork or other event resulting in the split or division of the underlying digital currency. The Exchange is also revising the definitions in its Rulebook to include “Digital Currency,” putting the definitions in alphabetical order, and making other non-substantive changes to fix formatting and grammatical errors. The Exchange is also making changes to its Spot Markets rules (Chapter 12).

Description of Rule Changes

Rule 101 (“Definitions”) has been updated to define a “Digital Currency” as well as reorganized to be in alphabetical order.

Rule 911 “Policy on Division or Similar Events Involving Digital Currency” has been added to the Rulebook and provides as follows:

In the event that there is, or there is expected to be, a change to the relevant operating rules, protocols, processes, or standards applicable to a Digital Currency underlying a Contract offered by the Exchange, including a so-called hard fork, user activated soft fork, or other event that results in split or division of



the Digital Currency into multiple assets, a substitution, replacement, conversion or exchange of the Digital Currency into or for another asset, a restriction on the transfer of the Digital Currency (e.g.; a lock-up or freeze), or a distribution of any asset to existing holders of the Digital Currency (including a so-called airdrop), the Exchange shall have the discretion to take action in consultation with Participants to align the exposures of Persons having positions in the relevant Digital Currency Contracts with the cash market exposures or to otherwise address such events, as appropriate. Appropriate action may include revising delivery obligations under the Contract, providing for cash adjustments, and/or assigning newly listed Contract positions to such Persons.

Rule 911 is consistent with similar rules adopted by other CFTC Designated Contract Markets offering contracts on digital currency.

A copy of the amended Rulebook is attached hereto as Exhibit A.

Core Principle Compliance

Eris Exchange has concluded that its compliance with the DCM Core Principles is not adversely affected by these changes, and it will continue to comply with all DCM Core Principles. In particular, the Exchange has reviewed the Core Principles as set forth in the Commodity Exchange Act, as amended (the "Act") and determined that the rule changes may pertain to the following Core Principles:

Core Principle 16 Conflicts of Interest

In Appendix B to Part 38 of CFTC Regulations, the Commission has provided guidance regarding Core Principle 16 indicating that DCMs must be vigilant for "conflicts between and among any of their self-regulatory responsibilities, their commercial interests, and the several interests of their management, members, owners, customers and market participants, other industry participants, and other constituencies." The CFTC further sets forth acceptable practices for minimizing such conflicts of interests. The Exchange has adopted and maintains such acceptable practices. As it pertains to Rule 911, the Board of Directors of the Exchange has established a Regulatory Oversight Committee ("ROC") that consists of only public directors to assist in minimizing actual and potential conflicts of interest. As with all substantive changes to the Exchange Rulebook, Rule 911 was submitted to the ROC prior submission to the CFTC. Moreover, consistent with similar rules adopted by other DCMs, the very words of Rule 911 make clear that the Exchange will consult with those impacted by any decision made by the Exchange related to a "fork" or similar event, i.e., market participants. Further, the rule provides for some possible actions so as to permit such consultation to be robust and offer opportunity for all views to be heard and courses of actions considered. The Exchange recognizes its responsibility to regulate effectively, impartially, with due consideration of the public interest, and to minimize conflicts of interest in its decisionmaking process. With any market event outside of



the Exchange's control, the Exchange seeks to include appropriate interested parties, including market participants, in discussions on possible approaches to assure the Exchange meets its regulatory and business obligations.

Public Information

A copy of this submission has been concurrently posted on the Exchange's website at <https://www.erisx.com/regulation/exchange-notices/> under "CFTC Submissions."

Opposing Views

This submission was provided to the Regulatory Oversight Committee, and there were no opposing views expressed that were not incorporated into the rule changes.

Certification

Eris Exchange, LLC hereby certifies to the Commodity Futures Trading Commission, pursuant to the procedures set forth in the Commission regulation §40.6, that this submission complies with the Commodity Exchange Act, as amended, and the regulations promulgated thereunder.

If you have any questions or require further information, please contact the undersigned at michael.piracci@erisx.com.

Sincerely,

/s/

Michael A. Piracci
Senior Counsel
Eris Exchange, LLC



Exhibit A

See attachment