

coinbase DERIVATIVES

May 16, 2024

VIA CFTC Electronic Portal

Mr. Christopher J. Kirkpatrick
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: CFTC Regulation 40.6(a) Modifications to Rules Confirming Settlement and Expiration Timing

Coinbase Derivatives Submission #2024-20

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“**CFTC**” or “**Commission**”) Regulation 40.6(a), Coinbase Derivatives, LLC (the “**Exchange**”) hereby submits for self-certification amendments to the Terms and Conditions for certain Exchange futures contracts (“**Contracts**”), as more specifically described below (the “**Rule Amendments**”). The modifications to the **Contracts** will become effective on May 31, 2024.

The purpose of the modifications:

- Changes to Rule 906, 1106 - 1112 confirming final settlement and expiration for the **Contracts** occurs on the same day.

Compliance with Core Principles

The Exchange has reviewed the designated contract market (“**DCM**”) core principles (“**Core Principles**”) set forth in the Commodity Exchange Act and the CFTC rules thereunder and has identified the following Core Principles that may be directly implicated by Rule Amendments:

Core Principle 2 – Compliance with Rules and Core Principle 4 – Prevention of Market Disruption

All trading on the Exchange is subject to the Exchange’s Rulebook (the “**Rulebook**”) including Chapter 5, which prohibits fraud, non-competitive trading, market manipulation and abusive and disruptive trade practices. Capitalized terms not otherwise defined herein are defined in the Rulebook. Additionally, as with all trading on the Exchange, trading is subject to monitoring and surveillance by the Market Regulation Department, which has the authority to investigate and enforce Exchange rules, as described in Chapter 7.

Core Principle 3 - Contracts Not Readily Subject to Manipulation

The Exchange continues to believe that the Contracts are not subject to manipulation.

Core Principle 7 - Availability of General Information

The Exchange shall continue to publish on its website and in its Rulebook the specifications, terms, and conditions of the Contracts.

Core Principle 8 - Daily Publication of Trading Information

The Exchange shall continue to publish on its website, on a daily basis, the trading volumes, open interest, and price information for the Contracts.

Core Principle 9 – Execution of Transactions

The Contracts will continue to be listed for trading on the Exchange's trading system, which provides for efficient, competitive, and open execution of transactions pursuant to the Exchange Rulebook.

Core Principle 11 - Financial Integrity of Transactions

The Contracts will be cleared by Nodal Clear, LLC, a CFTC registered derivatives clearing organization subject to the CFTC regulations related thereto.

Core Principle 12 – Protection of Markets and Market Participants

Chapters 4 and 5 of the Rulebook require all market participants to observe high standards of integrity, market conduct, commercial honor, fair dealing, and just and equitable principles of trade and prohibits, among other things, fraud, non-competitive trading, market manipulation, and abusive and disruptive trade practices. As with all contracts traded on the Exchange, the Contracts will be subject to monitoring and surveillance by the Market Regulation Department.

Certification

The Exchange is not aware of any substantive opposing views to the Rule Amendments. The Exchange certifies that the Rule Amendments comply with the Commodity Exchange Act and the rules and regulations promulgated thereunder.

The Exchange certifies that this submission has been concurrently posted on the Exchange's website at: <https://www.coinbase.com/derivatives>. If you have any questions or require any further information, please contact me at jane.downey@coinbase.com.

Sincerely,

/s/

Jane Downey
Chief Regulatory Officer

Attachments: Appendix A

APPENDIX A

Rulebook

(additions underlined; deletions ~~stricken through~~)

CHAPTER 9: CLEARING

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RULE 906. Daily and Final Settlement Prices

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(c) Final Settlement Price

- (i) For all Exchange energy Futures Contracts, the following applies, unless otherwise indicated. On the day of expiration, the final Settlement Price shall be the set to the publicly available daily settlement value of the NYMEX WTI Future (CL) at the termination of trading.
- (ii) For all Exchange Futures Contracts based on a cryptocurrency, the following applies, unless otherwise indicated. On the day of expiration, the Final Settlement Price of the Futures Contract shall be the value of the relevant Index as of the Termination of Trading as specified in the relevant Rule, and as calculated and disseminated by the Index Provider. Expiration will occur the same Business Day as the Final Settlement of the Contract.

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CHAPTER 11: CONTRACT SPECIFICATIONS

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RULE 1106. Nano Bitcoin Futures

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- (g) Termination of Trading and Expiration. Trading terminates at 4:00 PM London time on the last Friday of the Contract month. If that day is not a Business Day, trading terminates on the preceding day that is a Business Day (“Termination of Trading”). Expiration will occur the same Business Day as the Termination of Trading for the Contract.

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RULE 1107. Nano Ether Futures

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- (g) Termination of Trading and Expiration. Trading terminates at 4:00 PM London time on the last Friday of the Contract month. If that day is not a Business Day, trading terminates on the preceding day that is a Business Day (“Termination of Trading”).

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RULE 1108. Bitcoin Futures

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RULE 1109. Ether Futures

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RULE 1110. Bitcoin Cash Futures

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(g) Termination of Trading and Expiration. Trading terminates at 4:00 PM London time on the last Friday of the Contract month. If that day is not a Business Day, trading terminates on the preceding day that is a Business Day (“Termination of Trading”). Expiration will occur the same Business Day as the Termination of Trading for the Contract.

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RULE 1111. Litecoin Futures

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RULE 1112. Dogecoin Futures

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APPENDIX A

Rulebook

(Clean)

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RULE 1112. Dogecoin Futures

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