



September 8, 2023

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

Re: Cboe Digital Exchange, LLC Rule Certification  
Submission Number CDE-2023-01E

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Regulation 40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission (“CFTC” or “Commission”) under the Act, Cboe Digital Exchange, LLC (“CDE” or “Exchange”) hereby submits an incentive program for the last fully-funded Ether futures (“ETH”) expiration that CDE intends to list (“Program”). The Program is set forth in a segregated confidential **Exhibit A** to this submission. The Program may become effective on or after September 22, 2023, on a date to be announced by the Exchange through the issuance of an Exchange notice.

### **Program Description**

As stated, **Exhibit A** sets for the terms of the Program. Exchange Rule 517 permits the Exchange to establish programs that provide Participants with financial incentives for meeting trading volume as may be established by the Exchange; no rule change is required to establish the Program.

The purpose of the Program is to incentivize Participants to submit order flow in the fully-funded ETH futures contracts currently offered by CDE and encourage participation on CDE. Specifically, the Exchange currently lists for trading an ETH futures contract that expires on September 29, 2023.<sup>1</sup> Following the expiration of this fully-funded ETH futures contract, the Exchange does not intend to list any additional fully-funded ETH futures contracts; rather, the Exchange plans to launch new margined futures contracts and delist its fully-funded futures products by the end of 2023. As such, the Exchange is offering the Program to re-establish interest in CDE and attract participation on the Exchange generally prior to rolling out its new margined futures products. The Program is designed to encourage participation on the Exchange, thereby attracting additional interest and liquidity on the Exchange and further growing participation, particularly as the Exchange introduces new products. The Program will be open to all Participants on CDE and the incentive available to all Participants that meet the Program’s participation criteria in **Exhibit A**.

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<sup>1</sup> The Exchange also currently offers fully-funded futures on bitcoin (“BTC”) and the Ether/Bitcoin pair.

## **Core Principle Compliance**

CDE believes that the Program is consistent with the Designated Contract Market (“DCM”) Core Principles under Section 5 of the Act. In particular, CDE believes that the Program is consistent with DCM Core Principles 2 (Compliance with Rules), 4 (Prevention of Market Disruption), 9 (Execution of Transactions), and 12 (Protection of Markets and Market Participants). Specifically, Participants that participate in the Program are obligated by CDE Rule 311 (Application of Rules and Jurisdiction) to comply with Exchange Rules. Exchange Rules include prohibitions against fraudulent, non-competitive, unfair, and abusive trading practices, and the Exchange monitors trading in ETH futures for violative activity such as wash trading, manipulative trading, and market abuse. The Program does not impact order execution priority or otherwise give any Participant an execution advantage. ETH futures are listed for trading in the open and competitive market, and the incentive under the Program will not adversely impact price discovery in the centralized market. Rather, the Exchange believes that the Program will have a positive impact on the price discovery process by promoting increased trading volume and liquidity in a product traded on CDE’s centralized market, promoting participation and quality markets on the Exchange, particularly as the Exchange introduces additional products. Accordingly, CDE believes that the impact of the Program will be beneficial to the public and market participants.

## **Public Information**

We have concurrently posted a notice and copy of this submission on the Exchange’s website at <https://www.cboedigital.com/regulation/exchange-notices/> under “CFTC Submissions.”

## **Opposing Views**

We are not aware of any opposing views to this self-certification.

## **Certification**

Cboe Digital Exchange, LLC hereby certifies to the Commodity Futures Trading Commission, pursuant to the procedures set forth in 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 regarding this submission, please contact the undersigned at the information below.

Sincerely,

**/s/ Rebecca Tenuta**

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