coinbase DERIVATIVES

September 18, 2026

VIA CFTC 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 41.24(b) Security Futures Product Rule Submission: Voluntary Submission of Security Futures Product Rules for Commission Approval

Coinbase Derivatives Submission #2026-61

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c) of the Commodity Exchange Act, as amended (the "CEA"), and Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 41.24(b), Coinbase Derivatives, LLC ("CDE" or "Exchange"), hereby requests that the Commission approve the proposed rule amendments set forth in this submission (the "Proposed Rule Amendments").

This filing represents a "Security Futures Product Rule Submission." The Proposed Rule Amendments are intended to facilitate trading in certain security futures products (the "Contracts").[1] On September 1, 2026, CDE, in its capacity as a CFTC-registered designated contract market, submitted a Form 1-N notice filing to the Securities and Exchange Commission ("SEC") to register as a national securities exchange for security futures products pursuant to the notice registration provisions of Section 6(g) of the Securities Exchange Act of 1934, as amended ("Exchange Act"). On September 8, 2026, the SEC acknowledged receipt of such written notice and effectiveness of CDE's notice registration as a national securities exchange contemporaneously with CDE's submission of the 1-N notice on September 1, 2026.[2]

Under its notice registration, CDE intends to list cash-settled futures on individual equity securities and exchange-traded fund shares, including perpetual single-stock futures. CDE is submitting this proposed rule change to establish the rules governing the security futures products it plans to list for trading. As set forth in this submission, the Proposed Rule Amendments are not inconsistent with the CEA or the Commission's regulations, and therefore the Commission should approve the Proposed Rule Amendments.[3]

The Exchange has concurrently submitted the Proposed Rule Amendments to the SEC, in accordance with Section 19(b)(7) of the Exchange Act and Rule 19b-7 thereunder. CDE will implement the Proposed Rule Amendments upon CFTC approval.

[1] CDE intends to submit certain security futures products for Commission approval pursuant to CFTC Regulation 41.23(b).
[2] Acknowledgement of Receipt of Notice of Registration as a National Securities Exchange Pursuant to Section 6(g) of the Securities Exchange Act of 1934 by Coinbase Derivatives, LLC, Exchange Act Release No. 106295 (Sept. 8, 2026).
[3] *See* 17 C.F.R. § 40.5(b).

Along with this submission, CDE submits the following documents:

- Appendix A, with a description of the Proposed Rule Amendments;
- Appendix B, describing the Proposed Rule Amendments' compliance with the Core Principles; and
- Appendix C, a copy of the Proposed Rule Amendments.

The Exchange certifies that the Proposed Rule Amendments comply with the CEA, including regulations under the CEA. Pursuant to CFTC Regulation 41.24(b), the Exchange further certifies its compliance with all applicable requirements under CFTC Regulation 41.22. There were no substantive opposing views to the proposal.

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 do not hesitate to contact me at jane.downey@coinbase.com.

Sincerely,

/s/

Jane Downey
Chief Regulatory Officer

Appendix A

Description of the Proposed Rule Amendments

CDE proposes to adopt Chapter 12 (Security Futures Products) of the CDE Rulebook to allow the listing and trading of cash-settled futures on individual equity securities and exchange-traded fund shares, including perpetual single-stock futures. Chapter 12 establishes, as an integrated framework, the listing standards, contract specifications, corporate-action adjustments, and trading, clearing, and settlement rules applicable to the Contracts. Proposed Chapter 12 comprises Rules 1201 through 1225. The Exchange will adopt under a separate rule filing pursuant to Section 19(b)(2) of the Exchange Act and Rule 19b-4 thereunder proposed rules addressing margin.[4]

As detailed further below, the proposed Chapter 12 specifies the scope and application of the Chapter (Rule 1201); defines terms used in the Chapter (Rule 1202); establishes initial and continued listing standards for the underlying securities (Rule 1203); provides for the publication of a contract-specific Product Appendix for each Contract (Rule 1204); and sets out rules governing trading hours (Rule 1205), participant access and order entry (Rule 1206), regulatory halts and trading halts (Rule 1207), position limits and position accountability (Rule 1208), daily settlement prices and price controls (Rule 1209), the absence of a scheduled final settlement (Rule 1210), the determination of an index price (Rule 1211), funding payments (Rule 1212), adjustments for corporate actions (Rule 1213), wind-down, termination, and delisting (Rule 1214), U.S. withholding tax and participant eligibility (Rule 1216), the prohibition on trading by certain persons (Rule 1217), reporting and publication (Rule 1218), block trades and basis trades (Rule 1219), error trades and price adjustments (Rule 1220), clearing (Rule 1221), approved securities (Rule 1222), amendments, additions, suspensions, and delistings (Rule 1223), participant disclosures (Rule 1224), and data publication (Rule 1225).[5]

Rule 1201. Scope and Application

Rule 1201 provides that Chapter 12 governs the listing, trading, clearing, adjustment, and settlement on the Exchange of security futures products as defined in Section 1a(45) of the CEA and Section 3(a)(56) of the Exchange Act, including perpetual futures contracts on individual equity securities and exchange-traded fund shares. The rule further provides that all rules of the Exchange apply to the Contracts, but in the event of any conflict, Chapter 12 governs. Matters not specifically addressed in Chapter 12 shall be governed by the other rules of the Exchange, the rules of Nodal Clear, LLC (the "Clearing House"), and applicable law.

Rule 1202. Definitions

Rule 1202 proposes adding defined terms to be used in Chapter 12. Among other terms, Rule 1202 defines:

- "Clearing House" to mean Nodal Clear, LLC, or any successor clearing organization designated by the Exchange in accordance with applicable law.

[4] Proposed Rule 1215 will address customer margin, and Rules 1212(c), 1213(e) and (f), and 1221(c) clarify the application of the margin rules in specific contexts.

[5] In addition, CDE proposes to amend Rule 101 to add the defined term "SEC" to mean the U.S. Securities and Exchange Commission.

- "Contract Unit" to mean the number of shares of the Underlying Security represented by one Contract, as specified in the applicable Product Appendix.
- "Corporate Action" to mean any stock split, reverse split, fractional split, stock dividend, stock distribution, cash dividend, extraordinary or special dividend, rights offering, spin-off, merger, acquisition, tender offer, ticker change, name change, delisting, suspension, or other event affecting the economics, reference price, or continued listing of a Contract.
- "Corporate Action Circular" to mean a notice published by the Exchange on the Exchange website describing the treatment of a Corporate Action affecting a Contract.
- "Corporate Action Reference Price" to mean the price of the Underlying Security or other relevant value, in each case as determined by the Exchange at the time of the relevant Corporate Action pursuant to the applicable Product Appendix, Corporate Action Circular, or other Exchange procedures.
- "Daily Settlement Price" to mean the daily settlement price for a Contract determined under Exchange Rule 1209.
- "Exchange Act" to mean the Act.
- "Funding Interval" means the interval specified in the applicable Product Appendix or identified Market Reference Materials for calculation of Funding Rates and Funding Payments.
- "Funding Payment" to mean the amount debited or credited to an open position under Exchange Rule 1212.
- "Funding Rate" to mean the rate determined pursuant to the applicable Product Appendix or identified Market Reference Materials.
- "Index Price" to mean the reference price for the Underlying Security determined under Exchange Rule 1211.
- "Mark Price" to mean the mark price of a Contract as determined by the Exchange.
- "Market Reference Materials" to mean Exchange-published materials identified in the applicable Product Appendix that set forth Index Price methodology, funding methodology, price fluctuation limits, trading parameters, or related operational terms for a Contract.
- "NMS security" by reference to the meaning set forth in Rule 600 under the Act.
- "Primary Listing Exchange" to mean the national securities exchange on which the Underlying Security is primarily listed.
- "Product Appendix" to mean the contract-specific appendix, specification, or other contract terms published by the Exchange for a Contract pursuant to Exchange Rule 1204.
- "Regulatory Halt" to mean a halt, pause, suspension, or similar regulatory trading interruption in the Underlying Security, including any halt under the Plan to Address Extraordinary Market Volatility, NYSE Rule 7.12, Nasdaq Rule 4121, or successor provisions.
- "Underlying Security" to mean the equity security, including an exchange-traded fund share or other eligible equity security, to which a Contract relates.

Rule 1203. Listing Standards

Rule 1203 sets out the standards pursuant to which the Exchange will list Contracts. The proposed listing standards are similar to the sample listing standards published in SEC Staff Legal Bulletin No. 15[6] except that Rule 1203:

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[6] SEC Division of Market Regulation: Staff Legal Bulletin No. 15: Listing Standards for Trading Security Futures Products (September 5, 2001).

i. Provides for the trading of perpetual futures contracts on individual equity securities and exchange-traded fund shares as SFPs.
ii. Includes more stringent listing standard requirements, including that the Underlying Security's estimated deliverable supply, determined consistent with Appendix A to Subpart C of Part 41 of the CFTC's regulations, must exceed 20 million shares; the Underlying Security must have a minimum market capitalization of at least $100 billion; and the Underlying Security must have a minimum average daily value of transactions ("ADVT") of at least $450 million over the prior six months, except where the Underlying Security has been listed for trading for less than six months, in which case the requirement would be a minimum ADVT of at least $1 billion over the prior month.
iii. Includes more stringent maintenance listing standard requirements, including that the Underlying Security must have an estimated deliverable supply in excess of 20 million shares; the Underlying Security must have a minimum market capitalization of at least $50 billion; and the Underlying Security must have had a minimum ADVT of at least $200 million over the prior calendar quarter, except where the Underlying Security has been listed for trading for less than a quarter, in which case the requirement would be a minimum ADVT of at least $1 billion over the period traded during the calendar quarter.

Rule 1203(a) provides that the Exchange shall list a Contract only if the Underlying Security satisfies each of the following requirements. *First*, it must be a common stock or a security issued by an exchange-traded fund ("ETF Share"), and the issuer is in compliance with any applicable requirements of the Exchange Act. *Second*, it must be registered under Section 12 of the Exchange Act, and its issuer must be in compliance with any applicable requirements of the Exchange Act. *Third*, it must be listed on a national securities exchange or traded through the facilities of a national securities association and reported as an NMS security. *Fourth*, there must be at least seven million shares outstanding that are owned by persons other than those required to report their security holdings pursuant to Section 16(a) of the Exchange Act. *Fifth*, its estimated deliverable supply, as reasonably determined by the Exchange consistent with Appendix A to Subpart C of Part 41 of the CFTC's regulations, must exceed 20 million shares. *Sixth*, it must have a minimum market capitalization of at least $100 billion. *Seventh*, it must have a minimum ADVT of at least $450 million over the prior six months, except where the Underlying Security has been listed for trading for less than six months, in which case the Underlying Security must have had a minimum ADVT of at least $1 billion over the prior month. *Eighth*, in the case of an Underlying Security other than an ETF Share, there must be at least 2,000 security holders. *Ninth*, in the case of an Underlying Security that is an ETF Share, it must have had a total trading volume (in all markets in which the Underlying Security has traded) of at least 2,400,000 shares or receipts evidencing the Underlying Security in the preceding 12 months. *Tenth*, if the Underlying Security is a "covered security" as defined under Section 18(b)(1)(A) of the Securities Act of 1933 ("Securities Act"), the market price per share of the Underlying Security has been at least $3.00 for the previous five consecutive business days preceding the date on which the Exchange commences to list and trade the Contract on said Underlying Security. For purposes of this condition, the market price of such Underlying Security is measured by the closing price reported in the primary market in which the Underlying Security is traded. *Eleventh*, if the Underlying Security is not a "covered security" as defined under Section 18(b)(1)(A) of the Securities Act, the market price per share of the Underlying Security must be at least $7.50 for the previous five consecutive business days preceding the date on which the Exchange commences to list and trade the Contract on said Underlying Security. As with the tenth condition, for purposes of the eleventh condition, the market price of the Underlying Security is measured by the closing price reported in the primary market in which the Underlying Security is traded. *Lastly,* the Exchange shall not list for trading any Contract where the Underlying Security is a "Restructure Security," as defined below, that is not yet issued and outstanding, regardless of whether the Restructure Security is trading on a "when issued" basis or on another basis that is contingent upon the issuance or distribution of shares.

In addition, Rule 1203(a) includes interpretations for requirements (4), (8), (10), and (11). Interpretation of Rule 1203(a)(4) provides that "[i]n the case of an equity security that a company issues or anticipates issuing as the result of a spin-off, reorganization, recapitalization, restructuring or similar corporate transaction ('Restructure Security'), the Exchange may assume that this requirement is satisfied if, based on a reasonable investigation, the Exchange determines that, on the product's intended listing date: (A) at least 40 million shares of the Restructure Security will be issued and outstanding; or (B) the Restructure Security will be listed on an exchange or automated quotation system that is subject to an initial listing requirement of no less than seven million publicly owned shares." The interpretation further provides that "[i]n the case of a Restructure Security issued or distributed to the holders of the equity security that existed prior to the ex-date of a spin-off, reorganization, recapitalization, restructuring or similar corporate transaction ('Original Equity Security'), the Exchange may consider the number of outstanding shares of the Original Equity Security prior to the spin-off, reorganization, recapitalization, restructuring or similar corporate transaction ('Restructuring Transaction')."

Interpretation of Rule 1203(a)(8) provides that "[i]f the security under consideration is a Restructure Security, the Exchange may assume that this requirement is satisfied if, based on a reasonable investigation, the Exchange determines that, on the product's intended listing date: (A) at least 40 million shares of the Restructure Security will be issued and outstanding; or (B) the Restructure Security will be listed on an exchange or automated quotation system that is subject to an initial listing requirement of at least 2,000 shareholders." The interpretation further provides that "[i]n the case of a Restructure Security issued or distributed to the holders of the Original Equity Security, the Exchange may consider the number of shareholders of the Original Equity Security prior to the Restructuring Transaction."

Interpretation of Rule 1203(a)(10) provides for a "Look-Back Test," which provides that "[i]n determining whether a Restructure Security that is issued or distributed to the shareholders of an Original Equity Security (but not a Restructure Security that is issued pursuant to a public offering or rights distribution) satisfies this requirement, the Exchange may 'look back' to the market price history of the Original Equity Security prior to the ex-date of the Restructuring Transaction if the following Look-Back Test is satisfied: (a) The Restructure Security has an aggregate market value of at least $500 million; (b) The aggregate market value of the Restructure Security equals or exceeds the Relevant Percentage (defined below) of the aggregate market value of the Original Equity Security; (c) The aggregate book value of the assets attributed to the business represented by the Restructure Security equals or exceeds both $50 million and the Relevant Percentage of the aggregate book value of the assets attributed to the business represented by the Original Equity Security; or (d) The revenues attributed to the business represented by the Restructure Security equals or exceeds both $50 million and the Relevant Percentage of the revenues attributed to the business represented by the Original Equity Security." The interpretation further provides that "[f]or purposes of determining whether the Look-Back Test is satisfied, the term 'Relevant Percentage' means: (i) 25%, when the applicable measure determined with respect to the Original Equity Security or the business it represents includes the business represented by the Restructure Security; and (ii) 33-1/3%, when the applicable measure determined with respect to the Original Equity Security or the business it represents excludes the business represented by the Restructure Security." The interpretation further specifies that "in calculating comparative aggregate market values, the Exchange will use the Restructure Security's closing price on its primary market on the last business day prior to the date on which the Restructure Security is selected as an Underlying Security for a Contract ('Selection Date'), or the Restructure Security's opening price on its primary market on the Selection Date, and will use the corresponding closing or opening price of the related Original Equity Security," and that, "in calculating comparative asset values and revenues, the Exchange will use the issuer's (i) latest annual financial statements; or (ii) most recently available interim financial statements (so long as such interim financial statements cover a period of not less than three months), whichever are more recent. Those financial statements may be audited or unaudited and may be pro forma."

Interpretation of Rule 1203(a)(10) also provides guidance on "Restructure Securities Issued in Public Offering or Rights Distribution," providing that "[i]n determining whether a Restructure Security that is distributed pursuant to a public offering or a rights distribution satisfies requirement 10, the Exchange may look back to the market price history of the Original Equity Security if: (i) the foregoing Look-Back Test is satisfied; (ii) the Restructure Security trades 'regular way' on an exchange or automatic quotation system for at least five trading days immediately preceding the Selection Date; and (iii) at the close of trading on each trading day on which the Restructure Security trades 'regular way' prior to the Selection Date, as well as at the opening of trading on Selection Date, the market price of the Restructure Security was at least $3.00."

Interpretation of Rule 1203(a)(10) further provides for a "Limitation on Use of Look-Back Test." Specifically, "[e]xcept in the case of a Restructure Security that is distributed pursuant to a public offering or rights distribution, the Exchange will not rely upon the market price history of an Original Equity Security for any trading day unless it also relies upon the trading volume history for that trading day. In addition, once the Exchange commences to rely upon a Restructure Security's trading volume and market price history for any trading day, the Exchange will not rely upon the trading volume and market price history of the related Original Equity Security for any trading day thereafter."

Interpretation of Rule 1203(a)(11) provides for an interpretation that is identical to the interpretation provided for requirement 10, except that the relevant market price of the Restructure Security for purposes of determining whether a Restructure Security that is distributed pursuant to a public offering or rights distribution satisfies requirement 11 is $7.50, instead of $3.00.

Rule 1203(b) provides that the Exchange shall not list additional Contracts on an Underlying Security, and may prohibit opening purchase transactions in an existing Contract, to the extent it deems such action necessary or appropriate, unless the Underlying Security meets each of the following maintenance requirements; provided that, if the Underlying Security is an ETF Share, the applicable requirements for initial listing of the related Contract (as described in Rule 1203(a) above) shall apply in lieu of the following maintenance requirements. *First*, it must be registered under Section 12 of the Exchange Act. *Second*, there must be at least 6,300,000 shares outstanding that are owned by persons other than those who are required to report their security holdings under Section 16(a) of the Exchange Act. *Third*, there must be at least 1,600 shareholders. *Fourth*, it must have had a minimum ADVT of at least $200 million for the prior calendar quarter, except where the Underlying Security has been listed for trading for less than a quarter, in which case the Underlying Security must have had a minimum average daily value of transactions of at least $1 billion over the period traded during the calendar quarter. *Fifth*, its estimated deliverable supply, as reasonably determined by the Exchange consistent with Appendix A to Part 41 of the CFTC Regulations, must exceed 20 million shares. *Sixth*, it must have a minimum market capitalization of at least $50 billion. *Seventh*, the market price per share must have closed above $3.00 for five consecutive business days. The market price per share of the Underlying Security will be measured by the closing price reported in the primary market in which the Underlying Security traded.

Interpretation of Rule 1203(b)(7) provides that, "[i]f a Restructure Security is approved for Security Futures Product trading under the initial listing standards in Rule 1203(a), the market price history of the Original Equity Security prior to the commencement of trading in the Restructure Security, including 'when-issued' trading, may be taken into account in determining whether this requirement is satisfied."

Rule 1203(b)(7) further provides that if prior to the withdrawal from trading of a Contract covering an Underlying Security that has been found not to meet the Exchange's requirements for continued approval, the Exchange determines that the Underlying Security again meets the Exchange's requirements, the Exchange may list additional Contracts on the Underlying Security and may lift any restriction on opening purchase transactions.

Rule 1203(c) provides that the Exchange shall maintain coordinated surveillance procedures with each Primary Listing Exchange and with other markets on which related securities or derivatives trade, sufficient to detect manipulation and insider trading.

Rule 1203(d) provides that the Exchange shall review each listed Underlying Security against the listing standards not less frequently than semi-annually.

Rule 1203(e) provides that whenever the Exchange announces that approval of an Underlying Security has been withdrawn for any reason or that the Exchange has been informed that the issuer of an Underlying Security has ceased to be in compliance with Exchange Act reporting requirements, each Participant Firm shall, prior to effecting any transaction in Contracts with respect to such Underlying Security for any Customer, inform such Customer of such fact and that the Exchange may prohibit further transactions in such Contracts as it determines is necessary and appropriate.

Rule 1204. Product Appendix

Rule 1204 provides that the Exchange shall publish for each Contract a Product Appendix. The Product Appendix functions as the specification sheet for a given Contract and specifies, as applicable, (1) the Underlying Security; (2) the contract code; (3) the Contract Unit; (4) the minimum price increment and tick value; (5) the trading hours; (6) the Daily Settlement Price methodology; (7) the Index Price source and methodology, including any identified Market Reference Materials; (8) the Funding Rate methodology, Funding Payment treatment, and any identified Market Reference Materials; (9) the applicable position limit, accountability level, and reportable level; (10) the applicable price fluctuation limits and other price controls, including any identified Market Reference Materials; (11) the block trade minimum quantity and related conditions, if any; (12) the fees and charges applicable to the Contract; and (13) such other terms as the Exchange may specify. The rule further provides that "[e]ach Product Appendix forms part of these Rules," and that "[a]mendments to a Product Appendix shall be made in accordance with Rule 1223 and applicable law." Rule 1204(d) provides that for each Contract listed by the

Exchange, the Contract's terms shall be in accordance with the schedule provided in such paragraph (d).

Rule 1205. Trading Hours

Rule 1205 establishes the defined trading hours during which the Contracts will trade. Contracts shall trade from Sunday at 20:00 Eastern Time through Friday at 17:00 Eastern Time, except during holidays, maintenance windows, or other periods specified by the Exchange. The rule further provides that the Exchange may modify trading hours for a Contract by rule, filing, certification, notice, or other action permitted by applicable law.

Rule 1206. Participant Access and Order Entry

Rule 1206 provides that access to trading in Contracts shall be governed by the CDE Rulebook, as filed with the SEC on September 1, 2026, concerning membership, access, customer protection, order entry, market conduct, and supervision, except as otherwise provided in Chapter 12. Rule 1206 further provides that only futures commission merchants, introducing brokers, commodity trading advisors, commodity pool operators, or associated persons subject to suitability rules comparable to those of a national securities association registered under Section 15A(a) of the Exchange Act may solicit, accept any order for, or otherwise deal in any transaction in or in connection with a Contract.

Rule 1207. Regulatory Halts and Trading Halts

Rule 1207 provides that trading in a Contract shall be halted at all times during which a Regulatory Halt has been instituted for the Underlying Security, and that all Contracts are subject to market-wide circuit breakers and coordinated halts applicable to the U.S. equity markets. The rule further provides that the Exchange may halt, pause, suspend, reject, cancel, or restrict trading in a Contract where necessary to maintain a fair and orderly market, including in connection with (1) a Corporate Action; (2) a market disruption; (3) an Index Price disruption or data outage; (4) a clearly erroneous or aberrant market condition; or (5) a planned or unplanned wind-down, delisting, or termination of the Contract.

Rule 1207 further provides that the Exchange shall maintain procedures to coordinate trading halts and resumptions with the Primary Listing Exchange, the Clearing House, and other relevant markets, and that trading in a Contract shall resume in accordance with Exchange procedures after the relevant halt condition has ended and the Exchange determines that resumption is consistent with investor protection and fair and orderly markets.

Rule 1208. Position Limits and Position Accountability

Rule 1208 provides that each Contract shall be subject to such position limit, accountability level, and reportable level as the Exchange establishes and publishes in the applicable Product Appendix. Rule 1208(a) provides that limits for each Contract shall be set at 200,000 contracts in the context of 100 share contracts (or the equivalent thereto, to the extent contracts are listed in another size). Rule 1208 further provides that, because Contracts have no fixed expiration date, any position limits established under the rule apply at all times and are not limited to any period preceding expiration. The rule provides that the Exchange shall review applicable position limits and accountability levels not less frequently than semi-annually, or more frequently if the Exchange determines appropriate.

Rule 1208 provides that the Exchange shall establish position limits or accountability levels for each Contract consistent with applicable law, including CFTC Regulation §41.25(b)(3), and may revise such levels based on deliverable supply, trading volume, market conditions, or other relevant factors. Where a position exceeds an otherwise applicable limit solely as a result of an adjustment under Rule 1213, the rule provides that such excess shall not constitute a violation, provided that no position-increasing transactions may be effected until the position is reduced below the applicable limit, unless otherwise permitted by the Exchange.

The rule also provides that applications for exemptions or waivers permitted by law shall be made to the Exchange in such form and manner as the Exchange may prescribe, and that positions shall be aggregated, and netting shall be permitted or prohibited, in each case as provided by applicable law and the CDE Rulebook.

Rule 1209. Daily Settlement Price and Price Controls

Rule 1209(a) provides that the Daily Settlement Price for a Contract shall be determined at 16:00 Eastern Time as follows, in order: (1) the one-minute volume-weighted average price of the Contract, rounded to the nearest tradable tick; (2) if the foregoing is unavailable, the one-minute time-weighted average of the midpoint of the best bid and best offer for the Contract, rounded to the nearest tradable tick; and (3) if no two-sided market is available during the sixty (60) seconds preceding 16:00 Eastern Time, the Index Price less the difference between the prior day's Index Price and the prior day's Daily Settlement Price.

Rule 1209 further provides that the Exchange may determine a Daily Settlement Price using another methodology where necessary to reflect an accurate price or maintain a fair and orderly market, and shall publish notice of any such action as soon as practicable; that each Contract shall be subject to such price fluctuation limits, dynamic price bands, and other price controls as the Exchange establishes in the applicable Product Appendix and identified Market Reference Materials; and that the Exchange's generally applicable fast-market, order-management, and market-integrity controls apply to Contracts.

Rule 1210. No Scheduled Final Settlement

Rule 1210 provides that Contracts have no fixed expiration date and no scheduled final settlement and a Contract may be terminated and settled in cash only upon an event specified in Rule 1213 or Rule 1214. Convergence between the price of a Contract and the price of the Underlying Security is effected through the funding mechanism described in Rule 1212, the applicable Product Appendix, and identified Market Reference Materials.[7]

Rule 1211. Index Price

Rule 1211 provides that the Exchange shall determine an Index Price for each Contract pursuant to a transparent, objective methodology designed to reflect the price of the Underlying Security in a manner that is reliable and resistant to manipulation. Rule 1211 provides that the Index Price methodology for each Contract shall be set forth in the applicable Product Appendix

[7] SEC Rule 6h-1(b) and CFTC Regulation § 41.25(c) provide that the final settlement price of a cash-settled security futures product must fairly reflect the opening price of the underlying security or securities. Because the Contracts are perpetual security futures products that have no fixed expiration date and do not contemplate a final settlement price within the meaning of those rules, those provisions do not apply.

or identified Market Reference Materials published prior to listing; and that the methodology may incorporate direct equity feeds and such related inputs, validation checks, fallbacks, and operational controls as the Exchange specifies for the relevant Contract.

The rule further provides that where the Index Price is unavailable, delayed, stale, erroneous, or materially inaccurate, the Exchange may determine substitute inputs, replacement values, or other measures in accordance with the applicable Product Appendix, identified Market Reference Materials, and such authority as may be necessary to maintain a fair and orderly market; and that the Exchange shall provide notice of any material change to the Index Price methodology, except where immediate action is necessary to protect investors, the public interest, or the fair and orderly operation of the market. Rule 1211(f) provides that for each Contract listed by the Exchange, the Index Price shall be calculated in accordance with the schedule provided in such paragraph (f).

Rule 1212. Funding Payments

Rule 1212 provides that open positions are subject to Funding Payments. The rule also provides that the Funding Rate methodology, Funding Payment mechanics, Funding Interval, publication practices, and operational timing for each Contract shall be set forth in the applicable Product Appendix and identified Market Reference Materials.

The rule further provides that Funding Payments may be processed through the Clearing House as cash adjustments separate from variation margin; and that the Exchange may suspend, defer, modify, or decline to publish or apply Funding Rates or Funding Payments during market disruptions, trading halts, data outages, Corporate Actions, or other circumstances where the Exchange determines such action is necessary to maintain a fair and orderly market.[8] Rule 1212 further provides that, where a Contract is closed, paused, or halted for an entire Funding Interval, the Exchange may decline to publish a Funding Rate for that interval, as specified in the applicable Product Appendix or identified Market Reference Materials. Rule 1212(f) provides that for each Contract listed by the Exchange, Funding Payments shall be calculated in accordance with the schedule provided in such paragraph (f).

Rule 1213. Adjustments for Corporate Actions

Rule 1213 provides that the Exchange shall determine the treatment of a Corporate Action affecting a Contract and shall publish a Corporate Action Circular specifying the applicable treatment, timing, and operational details, and that the Clearing House shall process any resulting position adjustments, cash adjustments, settlements, or related actions in accordance with the CDE Rulebook, its own rules, and applicable procedures. The rule provides that the Contract Unit shall not be redefined by any adjustment under the rule, and that an adjustment under the rule is intended solely to preserve, as nearly as practicable, the aggregate economic exposure represented by an open position immediately before the relevant Corporate Action.

Rule 1213(d)-(p) specifies the treatment of particular Corporate Actions, in the manner specified in the applicable Product Appendix or Corporate Action Circular, including:

[8] Proposed Rule 1212(c) provides that "Funding Payments may be processed through the Clearing House as cash adjustments separate from variation margin." As noted, the Exchange will adopt under a separate rule filing pursuant to Section 19(b)(2) of the Exchange Act and Rule 19b-4 thereunder proposed rules addressing margin.

- Ordinary cash dividends. No adjustment shall be made for an ordinary cash dividend. The economic effect of such dividend is expected to be reflected through the market price and funding mechanism.
- Stock splits, reverse splits, fractional splits, stock dividends, and similar stock distributions. The Exchange shall adjust open position quantity by the applicable ratio and adjust the relevant reference price inversely, so that aggregate economic exposure is preserved as nearly as practicable.[9]
- Settlement-price restatement. The Exchange may restate the prior Daily Settlement Price where appropriate to avoid a mechanical variation-margin gain or loss caused solely by such an adjustment.[10]
- Special or extraordinary cash dividends. The Exchange may determine, in its discretion, whether an adjustment is appropriate for a special or extraordinary cash dividend and, if so, may apply such position, or price adjustment, as it determines appropriate by reference to the Corporate Action Reference Price or other relevant values determined at the time of the event.
- Rights offerings. The Exchange may adjust open position quantity, relevant reference prices, and any resulting residual amount in the manner specified in the applicable Product Appendix or Corporate Action Circular.
- Spin-offs. Where the Underlying Security is subject to a spin-off or similar separation event, the Exchange may settle open positions at the blended value of the Underlying Security price and the price of any spin-off Underlying Security price.
- Mergers and acquisitions. Where the Underlying Security is subject to a merger, acquisition, tender offer, cash transaction, stock-for-stock transaction, mixed consideration transaction, or similar event inconsistent with continued listing of the Contract, the Exchange may terminate the affected Contract and settle open positions in cash using the value of the transaction consideration and any related Underlying Security price, in each case as determined by the Exchange at the time of the event and specified in the applicable Corporate Action Circular. A successor Contract may be listed where appropriate.
- Ticker and name changes. The Exchange may halt trading, update symbology and market-data references, and reopen trading without economic adjustment.
- Delisting or trading suspension of Underlying Security. If the Underlying Security is delisted, suspended, or otherwise becomes unavailable for continued listing without sufficient prior notice to permit an orderly wind-down, trading in the affected Contract shall halt and open positions shall be settled at a publicly published fair

[9] Proposed Rule 1213(e) provides: "Stock splits, reverse splits, fractional splits, stock dividends, and similar stock distributions. The Exchange shall adjust open position quantity by the applicable ratio and adjust the relevant reference price inversely, so that aggregate economic exposure is preserved as nearly as practicable. Such adjustments are intended solely to preserve the holder's existing economic exposure, as nearly as practicable, and constitute a continuation of the holder's existing position rather than the establishment of a new position, liquidation of an existing position, or replacement of a Contract. Any resulting fractional Contract shall be handled in the manner specified in the applicable Product Appendix or Corporate Action Circular." As noted, the Exchange will adopt under a separate rule filing pursuant to Section 19(b)(2) of the Exchange Act and Rule 19b-4 thereunder proposed rules that address handling of margin.

[10] Proposed Rule 1213(f) provides: "Settlement-price restatement. Where appropriate to avoid a mechanical variation-margin gain or loss caused solely by an adjustment under paragraph (e), the Exchange may restate the prior Daily Settlement Price." As noted, the Exchange will adopt under a separate rule filing pursuant to Section 19(b)(2) of the Exchange Act and Rule 19b-4 thereunder proposed rules addressing margin.

value or such other value as the Exchange determines under the Rules, after which the Contract shall be delisted.

Rules 1213(m) through (p) address the timing and operational aspects of any adjustment or settlement, the treatment of margin across an adjustment, the maintenance of books and records linking any adjusted or settled position to the relevant pre-event position, and the publication of a Corporate Action Circular for each Corporate Action the Exchange determines to be material to a Contract.

Rule 1214. Wind-Down, Termination, and Delisting

Rule 1214 governs wind-down, termination, and delisting. Rule 1214 provides that, where an Underlying Security ceases to satisfy the listing standards in Rule 1203, becomes subject to a Corporate Action inconsistent with continued listing, is delisted from its Primary Listing Exchange, or otherwise becomes unsuitable for continued trading as a Contract, the Exchange may provide for an orderly wind-down, termination, delisting, cash settlement, or forced position closure.

The rule states that, except where shorter notice is necessary to protect investors or maintain fair and orderly markets, the Exchange shall provide no less than 10 Business Days' notice before a planned wind-down, termination, or delisting. Where the Exchange delists or terminates a Contract, the last trading day shall be the trading day on which trading in the Contract ceases, and the Daily Settlement Price for that trading day shall be used to close out or cash settle open positions, unless the Exchange determines that an alternative procedure is necessary. Rule 1214 further specifies that this rule governs planned or orderly wind-downs, in contrast to Rule 1213(l), which governs unanticipated delistings or suspensions of the Underlying Security that make an orderly wind-down impracticable. The rule further provides that the Exchange shall publish a notice describing any wind-down, termination, or delisting under this rule.

Rule 1216. U.S. Withholding Tax and Participant Eligibility

Rule 1216 provides that the Exchange may establish participant or Clearing Member eligibility requirements, certifications, representations, or undertakings relating to U.S. withholding tax, dividend-equivalent withholding, FATCA, qualified intermediary status, qualified derivatives dealer status, or related matters applicable to Contracts.

Rule 1217. Prohibition on Trading by Certain Persons

Rule 1217 states that no person may trade in a Contract if prohibited from doing so by applicable law, including any person who is a director or officer, subject to Section 16 of the Exchange Act, of an issuer of an Underlying Security, to the extent prohibited by law, or who is in possession of material non-public information regarding such issuer and is prohibited by law from trading.

Rule 1218. Reporting and Publication

Pursuant to Rule 1218, the Exchange shall comply with applicable CFTC and SEC reporting requirements relating to Contracts, including Parts 16 and 17 of the CFTC's regulations and any successor provisions. The Exchange shall publish for each Contract such market information as may be required by law or by the Exchange's applicable filings, including Daily Settlement Price, trading volume, open interest, and such funding and reference-price information as the Exchange specifies in the applicable Product Appendix or identified Market Reference Materials. The rule provides that the Exchange shall maintain and submit such files, reports, and records as are required by applicable law and by the Exchange's regulatory obligations for Contracts.

Rule 1219. Block Trades and Basis Trades

Rule 1219 provides that block trades in Contracts are permitted, subject to such minimum quantity thresholds, participant eligibility requirements, reporting times, price-reasonability requirements, and other conditions as the Exchange may establish in the applicable Product Appendix or by notice. The rule reserves the treatment of basis trades.

Rule 1220. Error Trades and Price Adjustments

Rule 1220 states that Contracts are subject to the CDE Rulebook governing error trades, trade cancellations, price adjustments, and clearly erroneous executions, except as otherwise provided in Chapter 12.

Rule 1221. Clearing

Rule 1221 provides that all Contracts shall be cleared by the Clearing House, and that the Exchange shall maintain such linked and coordinated clearing arrangements, risk-management procedures, communication protocols, and operational processes with the Clearing House as are required by law and by the Exchange's applicable filings. The rule further provides that nothing in Chapter 12 would limit the authority of the Clearing House under its own rules with respect to margin collection, settlement processing, default management, or other clearing functions, except as otherwise required by law.[11]

Rule 1222. Approved Securities

Rule 1222 provides that the Underlying Securities approved as the subject of Contracts shall be those identified in the applicable Product Appendices or in a list published by the Exchange, as amended from time to time in accordance with Rule 1223 and applicable law.

Rule 1223. Amendments, Additions, Suspensions, and Delistings

Rule 1223 provides that the Exchange may list, add, amend, suspend, terminate, or delist Contracts and Product Appendices in accordance with the Exchange Act, the CEA, applicable SEC and CFTC rules and regulations, and the CDE Rulebook. The rule permits, without limitation, amendments pursuant to Section 19(b)(7) or Section 19(b)(2) of the Exchange Act, CFTC Regulation 41.24, or other applicable provisions, as required by law; and specifies that the Exchange may suspend, terminate, or delist a Contract in accordance with Rule 1213 or Rule 1214, or where necessary to maintain a fair and orderly market.

Rule 1224. Participant Disclosures

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[11] Proposed Rule 1221(c) provides that "Nothing in this Chapter limits the authority of the Clearing House under its own rules with respect to margin collection, settlement processing, default management, or other clearing functions, except as otherwise required by law." As noted, the Exchange will adopt under a separate rule filing pursuant to Section 19(b)(2) of the Exchange Act and Rule 19b-4 thereunder proposed rules addressing margin.

Rule 1224 provides that the Exchange shall publish disclosures covering, as applicable, (a) the cash-settled nature of the Contracts; (b) the fact that holders do not obtain ownership of the Underlying Security; (c) the funding mechanism; (d) extended-hours liquidity and pricing risks; (e) the treatment of Corporate Actions; (f) the possibility of termination, delisting, or cash settlement upon specified events; and (g) such other matters as the Exchange determines appropriate or as may be required by law.

Rule 1225. Data Publication

Rule 1225 provides that, for 18 months from the initial listing of the first Contract, or for such other period as may be required by applicable filings or exemptive relief, the Exchange shall make publicly available in machine-readable form such data relating to Contracts as may be required by law or by the Exchange's applicable filings, which may include (a) Daily Settlement Prices; (b) Index Prices, Mark Prices, Funding Rates, and related basis information; (c) daily or periodic aggregate long and short positions by participant or account type; (d) trading volume and open interest; and (e) such other data as may be required by law, filing, order, or Exchange rule.[12]

[12] In addition, the Exchange represents that it will work with the SEC to provide data as appropriate for the SEC to evaluate security futures products.

Appendix B

Compliance with Core Principles

The Exchange has reviewed the DCM Core Principles, and the following describes the Proposed Rule Amendments' compliance with the most relevant Core Principles.

I. Core Principle 2 – Compliance with Rules

The Exchange shall continue its normal practice to establish, monitor, and enforce compliance with the rules of the Contracts, including the listing standards for security futures products.

II. Core Principle 3 – Contracts Not Readily Susceptible to Manipulation

The proposed listing standards require a liquid underlying market for the Contracts such that the Contracts are limited to the most liquid Underlying Securities, whose prices are formed in the deepest, most transparent, and most heavily regulated equity market in the world. Therefore, such Contracts are not readily susceptible to manipulation. Specifically, the Exchange's Proposed Rule Amendments include requirements that the underlying security for each Contract must exceed 20 million shares in estimated deliverable supply (Rule 1203(a)(5)), have a minimum market capitalization of at least $100 billion (Rule 1203(a)(6)), and have had a minimum ADVT of at least $450 million over the prior six months (with a higher ADVT requirement for securities with less than six months trading history) (Rule 1203(a)(7)).

Further, pursuant to Rule 1203(b), the Exchange will not list for trading any additional Contracts on an Underlying Security, and may prohibit opening purchase transactions in an existing Contract, to the extent it deems such action necessary or appropriate, unless the Underlying Security meets the maintenance listing standards requirements established in the Exchange Rulebook. Under the maintenance standards, the minimum ADVT under Rule 1203(b)(4) is at least $200 million for the prior calendar quarter (with a higher ADVT requirement for securities with less than one quarter trading history); Rule 1203(b)(5) is the same as Rule 1203(a)(5); and the minimum market capitalization requirement of at least $100 billion in Rule 1203(a)(6) is reduced to $50 billion in Rule 1203(b)(6). Accordingly, the proposed listing standards assure a robust market for the underlying security to protect against manipulation. In this regard, the Exchange has carefully structured the initial listing standards to assure that the Contracts it will list at a minimum meet stringent requirements designed to ensure that the Contracts are not readily susceptible to manipulation.

III. Core Principle 4 – Prevention of Market Disruption

Trading in the Contracts will be subject to the Rules of the Exchange, which include prohibitions on manipulation, price distortion, and disruption. As with any new product listed for trading on the Exchange, trading activity in the Contracts will be subject to monitoring and surveillance by the Exchange's Market Regulation Department.

IV. Core Principle 5 – Position Limits or Accountability

Consistent with CFTC Regulation 41.25(b)(3), the Contracts are subject to position limits, as set forth in Rule 1208 of the Exchange Rulebook.

V. Core Principle 7 – Availability of General Information

The Exchange will amend the Exchange Rulebook accordingly on the effective date, which will be publicly available on its website, to reflect the changes that will be made by the Proposed Rule Amendments.

VI. Core Principle 8 – Daily Publication of Trading Information

The Exchange shall publish on its website on a daily basis the trading volumes, open interest, and price information for the Contracts, and shall report daily market data in accordance with Part 16 of the Commission's regulations, as required by CFTC Regulation 41.25(b)(1).

VII. Core Principle 9 – Execution of Transactions

The Contracts shall be listed for trading on the Exchange's trading system, which provides for efficient, competitive, and open execution of transactions.

VIII. Core Principle 10 – Trade Information

All requisite trade information shall be included in the audit trail and is sufficient for the Market Regulation Department to monitor for market abuse, including through the coordinated cross-market audit trail.

IX. Core Principle 11 – Financial Integrity of Transactions

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

X. Core Principle 12 – Protection of Markets and Market Participants

Chapters 4 and 5 of the Rulebook require all market participants, including futures commission merchants carrying customer accounts, to observe high standards of integrity, market conduct, commercial honor, fair dealing, and just and equitable principles of trade, and prohibit, among other things, fraud, non-competitive trading, market manipulation, and abusive and disruptive trade practices. Consistent with Section 6(h)(3)(F) of the Exchange Act, only intermediaries subject to suitability rules comparable to those of a national securities association registered under Section 15A(a) of the Exchange Act may solicit or accept orders in the Contracts. As with all contracts traded on the Exchange, trading will be subject to monitoring and surveillance by the Market Regulation Department.

XI. Core Principle 13 – Disciplinary Procedures

Chapter 7 of the Rulebook sets forth the rules and procedures for the investigation, enforcement, and sanctioning of persons that violate the Exchange's Rules.

XII. Core Principle 14 – Dispute Resolution

Disputes related to the Contracts are governed by Chapter 8 of the Rulebook, which provides for arbitration procedures overseen by the National Futures Association.

Appendix C

Copy of the Proposed Rule Amendments

(additions underscored; deletions ~~struck through~~)

CHAPTER 1: DEFINITIONS

RULE 101. Definitions

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"SEC" means the U.S. Securities and Exchange Commission.

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CHAPTER 12: SECURITY FUTURES PRODUCTS

RULE 1201. Scope and Application

(a) This Chapter governs the listing, trading, clearing, adjustment, and settlement on the Exchange of security futures products as defined in Section 1a(45) of the Commodity Exchange Act and Section 3(a)(56) of the Securities Exchange Act of 1934 (the "**Security Futures Products**" or "**Contracts**"), including perpetual futures contracts on individual equity securities and exchange-traded fund shares. For purposes of this Chapter, the term "Contract" means a Security Futures Product.

(b) These Rules apply in addition to all other Rules of the Exchange. In the event of any conflict, this Chapter governs with respect to Contracts.

(c) The terms and conditions of each Contract shall be set forth in the applicable Product Appendix.

(d) Matters not specifically addressed in this Chapter shall be governed by the other Rules of the Exchange, the rules of the Clearing House, and applicable law.

(e) Nothing in this Chapter limits the Exchange's authority under Rule 212 (Emergency Rules), Chapter 5 (Trading Practices and Business Conduct), Chapter 7 (Disciplinary Rules), or any other generally applicable Rule.

RULE 1202. Definitions

For purposes of this Chapter:

"**Clearing House**" means Nodal Clear, LLC, or any successor or such other appropriate clearing organization designated by the Exchange in accordance with applicable law.

"**Contract Unit**" means the number of shares of the Underlying Security represented by one Contract, as specified in the applicable Product Appendix.

"**Corporate Action**" means any stock split, reverse split, fractional split, stock dividend, stock distribution, cash dividend, extraordinary or special dividend, rights offering, spin-off, merger, acquisition, tender offer, ticker change, name change, delisting, suspension, or other event affecting the economics, reference price, or continued listing of a Contract.

"**Corporate Action Circular**" means a notice published by the Exchange on the Exchange website describing the treatment of a Corporate Action affecting a Contract.

"**Corporate Action Reference Price**" means the price of the Underlying Security or other relevant value, in each case as determined by the Exchange at the time of the relevant Corporate Action pursuant to the applicable Product Appendix, Corporate Action Circular, or other Exchange procedures.

"**Daily Settlement Price**" means the daily settlement price for a Contract determined under Rule 1209.

"**Exchange Act**" means the Securities Exchange Act of 1934.

"**Funding Interval**" means the interval specified in the applicable Product Appendix or identified Market Reference Materials for calculation of Funding Rates and Funding Payments.

"**Funding Payment**" means the amount debited or credited to an open position under Rule 1212.

"**Funding Rate**" means the rate determined pursuant to the applicable Product Appendix or identified Market Reference Materials.

"**Index Price**" means the reference price for the Underlying Security determined under Rule 1211.

"**Mark Price**" means the mark price of a Contract as determined by the Exchange.

"**Market Reference Materials**" means Exchange-published materials identified in the applicable Product Appendix that set forth Index Price methodology, funding methodology, price fluctuation limits, trading parameters, or related operational terms for a Contract.

"**NMS security**" has the meaning set forth in Rule 600 under the Exchange Act.

"**Primary Listing Exchange**" means the national securities exchange on which the Underlying Security is primarily listed.

"**Product Appendix**" means the contract-specific appendix, specification, or other contract terms published by the Exchange for a Contract pursuant to Rule 1204.

"**Regulatory Halt**" means a halt, pause, suspension, or similar regulatory trading interruption in the Underlying Security, including any halt under the Plan to Address Extraordinary Market Volatility, NYSE Rule 7.12, Nasdaq Rule 4121, or successor provisions.

"**Underlying Security**" means the equity security, including an exchange-traded fund share or other eligible equity security, to which a Contract relates.

RULE 1203. Listing Standards

(a) The Exchange shall list a Contract only if the Underlying Security satisfies each of the following requirements:

(1) It must be a common stock or a security issued by an exchange-traded fund ("ETF Share").

(2) It must be registered under Section 12 of the Exchange Act, and its issuer must be in compliance with any applicable requirements of the Exchange Act.

(3) It must be listed on a national securities exchange or traded through the facilities of a national securities association and reported as an NMS security.

(4) There must be at least seven million shares outstanding that are owned by persons other than those required to report their security holdings pursuant to Section 16(a) of the Exchange Act.

> Interpretation of Rule 1203(a)(4). In the case of an equity security that a company issues or anticipates issuing as the result of a spin-off, reorganization, recapitalization, restructuring or similar corporate transaction ("Restructure Security"), the Exchange may assume that this requirement is satisfied if, based on a reasonable investigation, the Exchange determines that, on the product's intended listing date: (A) at least 40 million shares of the Restructure Security will be issued and outstanding; or (B) the Restructure Security will be listed on an exchange or automated quotation system that is subject to an initial listing requirement of no less than seven million publicly owned shares.
>
> In the case of a Restructure Security issued or distributed to the holders of the equity security that existed prior to the ex-date of a spin-off, reorganization, recapitalization, restructuring or similar corporate transaction ("Original Equity Security"), the Exchange may consider the number of outstanding shares of the Original Equity Security prior to the spin-off, reorganization, recapitalization, restructuring or similar corporate transaction ("Restructuring Transaction").

(5) Its estimated deliverable supply, as reasonably determined by the Exchange consistent with Appendix A to Subpart C of Part 41 of the CFTC's regulations, must exceed 20 million shares.

(6) It must have a minimum market capitalization of at least $100 billion.

(7) It must have a minimum average daily value of transactions of at least $450 million over the prior six months, except where the Underlying Security has been listed for trading for less than six months, in which case the Underlying Security must have had a minimum average daily value of transactions of at least $1 billion over the prior month.

(8) In the case of an Underlying Security other than an ETF Share, there must be at least 2,000 security holders.

Interpretation of Rule 1203(a)(8). If the security under consideration is a Restructure Security, the Exchange may assume that this requirement is satisfied if, based on a reasonable investigation, the Exchange determines that, on the product's intended listing date: (A) at least 40 million shares of the Restructure Security will be issued and outstanding; or (B) the Restructure Security will be listed on an exchange or automated quotation system that is subject to an initial listing requirement of at least 2,000 shareholders.

In the case of a Restructure Security issued or distributed to the holders of the Original Equity Security, the Exchange may consider the number of shareholders of the Original Equity Security prior to the Restructuring Transaction.

(9) in the case of an Underlying Security that is an ETF Share, it must have had a total trading volume (in all markets in which the Underlying Security has traded) of at least 2,400,000 shares or receipts evidencing the Underlying Security in the preceding 12 months.

(10) if the Underlying Security is a "covered security" as defined under Section 18(b)(1)(A) of the Securities Act of 1933 ("Securities Act"), the market price per share of the Underlying Security has been at least $3.00 for the previous five consecutive business days preceding the date on which the Exchange commences to list and trade the Contract on said Underlying Security. For purposes of this condition, the market price of such Underlying Security is measured by the closing price reported in the primary market in which the Underlying Security is traded.

Interpretation of Rule 1203(a)(10). **Look-Back Test**: In determining whether a Restructure Security that is issued or distributed to the shareholders of an Original Equity Security (but not a Restructure Security that is issued pursuant to a public offering or rights distribution) satisfies this requirement, the Exchange may "look back" to the market price history of the Original Equity Security prior to the ex-date of the Restructuring Transaction if the following Look-Back Test is satisfied:

(a) The Restructure Security has an aggregate market value of at least $500 million;
(b) The aggregate market value of the Restructure Security equals or exceeds the Relevant Percentage (defined below) of the aggregate market value of the Original Equity Security;
(c) The aggregate book value of the assets attributed to the business represented by the Restructure Security equals or exceeds both $50 million and the Relevant Percentage of the aggregate book value of the assets attributed to the business represented by the Original Equity Security; or
(d) The revenues attributed to the business represented by the Restructure Security equals or exceeds both $50 million and the Relevant Percentage of the revenues attributed to the business represented by the Original Equity Security.

For purposes of determining whether the Look-Back Test is satisfied, the term "Relevant Percentage" means: (i) 25%, when the applicable measure determined with respect to the Original Equity Security or the business it represents includes the business represented by the Restructure Security; and (ii) 33-1/3%, when the applicable measure determined with respect to the Original Equity Security or the business it represents excludes the business represented by the Restructure Security.

In calculating comparative aggregate market values, the Exchange will use the Restructure Security's closing price on its primary market on the last business day prior to the date on which the Restructure Security is selected as an Underlying Security for a Contract ("Selection Date"), or the Restructure Security's opening price on its primary market on the Selection Date, and will use the corresponding closing or opening price of the related Original Equity Security.

Furthermore, in calculating comparative asset values and revenues, the Exchange will use the issuer's (i) latest annual financial statements; or (ii) most recently available interim financial statements (so long as such interim financial statements cover a period of not less than three months), whichever are more recent. Those financial statements may be audited or unaudited and may be pro forma.

Restructure Securities Issued in Public Offering or Rights Distribution: In determining whether a Restructure Security that is distributed pursuant to a public offering or a rights distribution satisfies requirement 10, the Exchange may look back to the market price history of the Original Equity Security if: (i) the foregoing Look-Back Test is satisfied; (ii) the Restructure Security trades "regular way" on an exchange or automatic quotation system for at least five trading days immediately preceding the Selection Date; and (iii) at the close of trading on each trading day on which the Restructure Security trades "regular way" prior to the Selection Date, as well as at the opening of trading on Selection Date, the market price of the Restructure Security was at least $3.00.

Limitation on Use of Look-Back Test: Except in the case of a Restructure Security that is distributed pursuant to a public offering or rights distribution, the Exchange will not rely upon the market price history of an Original Equity Security for any trading day unless it also relies upon the trading volume history for that trading day. In addition, once the Exchange commences to rely upon a Restructure Security's trading volume and market price history for any trading day, the Exchange will not rely upon the trading volume and market price history of the related Original Equity Security for any trading day thereafter.

(11) If the Underlying Security is not a "covered security" as defined under Section 18(b)(1)(A) of the Securities Act, the market price per share of the Underlying Security must be at least $7.50 for the previous five consecutive business days preceding the date on which the Exchange commences to list and trade the Contract on said Underlying Security.

For purposes of this provision, the market price of such Underlying Security is measured by the closing price reported in the primary market in which the Underlying Security is traded.

Interpretation of Rule 1203(a)(11): **Look-Back Test.** In determining whether a Restructure Security that is issued or distributed to the shareholders of an Original Equity Security (but not a Restructure Security that is issued pursuant to a public offering or rights distribution) satisfies this requirement, the Exchange may "look back" to the market price history of the Original Equity Security prior to the ex-date of the Restructuring Transaction if the following Look-Back Test is satisfied:

a. The Restructure Security has an aggregate market value of at least $500

million;
b. The aggregate market value of the Restructure Security equals or exceeds the Relevant Percentage (defined below) of the aggregate market value of the Original Equity Security;
c. The aggregate book value of the assets attributed to the business represented by the Restructure Security equals or exceeds both $50 million and the Relevant Percentage of the aggregate book value of the assets attributed to the business represented by the Original Equity Security; or
d. The revenues attributed to the business represented by the Restructure Security equals or exceeds both $50 million and the Relevant Percentage of the revenues attributed to the business represented by the Original Equity Security.

For purposes of determining whether the Look-Back Test is satisfied, the term "Relevant Percentage" means: (i) 25%, when the applicable measure determined with respect to the Original Equity Security or the business it represents includes the business represented by the Restructure Security; and (ii) 33-1/3%, when the applicable measure determined with respect to the Original Equity Security or the business it represents excludes the business represented by the Restructure Security.

In calculating comparative aggregate market values, the Exchange will use the Restructure Security's closing price on its primary market on the last business day prior to the Selection Date, or the Restructure Security's opening price on its primary market on the Selection Date, and will use the corresponding closing or opening price of the related Original Equity Security.

Furthermore, in calculating comparative asset values and revenues, the Exchange will use the issuer's (i) latest annual financial statements or (ii) most recently available interim financial statements (so long as such interim financial statements cover a period of not less than three months), whichever are more recent. Those financial statements may be audited or unaudited and may be pro forma.

Restructure Securities Issued in Public Offering or Rights Distribution: In determining whether a Restructure Security that is distributed pursuant to a public offering or a rights distribution satisfies requirement 11, the Exchange may look back to the market price history of the Original Equity Security if: (i) the foregoing Look-Back Test is satisfied; (ii) the Restructure Security trades "regular way" on an exchange or automatic quotation system for at least five trading days immediately preceding the Selection Date; and (iii) at the close of trading on each trading day on which the Restructure Security trades "regular way" prior to the Selection Date, as well as at the opening of trading on Selection Date, the market price of the Restructure Security was at least $7.50.

Limitation on Use of Look-Back Test: Except in the case of a Restructure Security that is distributed pursuant to a public offering or rights distribution, the Exchange will not rely upon the market price history of an Original Equity Security for any trading day unless it also relies upon the trading volume history for that trading day. In addition, once the Exchange commences to rely upon a Restructure Security's trading volume and market price history for any trading day, the Exchange will not rely upon the trading volume and market price history of the related Original Equity Security for any trading day thereafter.

(12) the Exchange shall not list for trading any Contract where the Underlying Security is a Restructure Security that is not yet issued and outstanding, regardless of whether the Restructure Security is trading on a “when issued” basis or on another basis that is contingent upon the issuance or distribution of shares.

(b) The Exchange shall not list additional Contracts on an Underlying Security, and may prohibit opening purchase transactions in an existing Contract, to the extent it deems such action necessary or appropriate, unless the Underlying Security meets each of the following maintenance requirements; provided that, if the Underlying Security is an ETF Share, the applicable requirements for initial listing of the related Contract (as described in Rule 1203(a) above) shall apply in lieu of the following maintenance requirements:

(1) It must be registered under Section 12 of the Exchange Act.

(2) There must be at least 6,300,000 shares outstanding that are owned by persons other than those who are required to report their security holdings under Section 16(a) of the Exchange Act.

(3) There must be at least 1,600 shareholders.

(4) It must have had a minimum average daily value of transactions of at least $200 million for the prior calendar quarter, except where the Underlying Security has been listed for trading for less than a quarter, in which case the Underlying Security must have had a minimum average daily value of transactions of at least $1 billion over the period traded during the calendar quarter.

(5) Its estimated deliverable supply, as reasonably determined by the Exchange consistent with Appendix A to Part 41 of the CFTC Regulations, must exceed 20 million shares.

(6) It must have a minimum market capitalization of at least $50 billion.

(7) The market price per share must have closed above $3.00 for five consecutive business days. The market price per share of the Underlying Security will be measured by the closing price reported in the primary market in which the Underlying Security traded.

> Interpretation of Rule 1203(b)(7). If a Restructure Security is approved for Security Futures Product trading under the initial listing standards in Rule 1203(a), the market price history of the Original Equity Security prior to the commencement of trading in the Restructure Security, including "when-issued" trading, may be taken into account in determining whether this requirement is satisfied.

If prior to the withdrawal from trading of a Contract covering an Underlying Security that has been found not to meet the Exchange’s requirements for continued approval, the Exchange determines that the Underlying Security again meets the Exchange’s requirements, the Exchange may list additional Contracts on the Underlying Security and may lift any restriction on opening purchase transactions.

(c) The Exchange shall maintain coordinated surveillance procedures with each Primary Listing Exchange and with other markets on which related securities or derivatives trade, sufficient to detect manipulation and insider trading, and shall maintain audit trails sufficient to support such surveillance.

(d) The Exchange shall review each listed Underlying Security against the standards in this Rule not less frequently than semi-annually.

(e) Whenever the Exchange announces that approval of an Underlying Security has been withdrawn for any reason or that the Exchange has been informed that the issuer of an Underlying Security has ceased to be in compliance with Exchange Act reporting requirements, each Participant Firm shall, prior to effecting any transaction in Contracts with respect to such Underlying Security for any Customer, inform such Customer of such fact and that the Exchange may prohibit further transactions in such Contracts as it determines is necessary and appropriate.

RULE 1204. Product Appendix

(a) The Exchange shall publish for each Contract a Product Appendix specifying, as applicable:

(1) the Underlying Security;

(2) the contract code;

(3) the Contract Unit;

(4) the minimum price increment and tick value;

(5) the trading hours;

(6) the Daily Settlement Price methodology;

(7) the Index Price source and methodology, including any identified Market Reference Materials;

(8) the Funding Rate methodology, Funding Payment treatment, and any identified Market Reference Materials;

(9) the applicable position limit, accountability level, and reportable level;

(10) the applicable price fluctuation limits and other price controls, including any identified Market Reference Materials;

(11) the block trade minimum quantity and related conditions, if any;

(12) the fees and charges applicable to the Contract; and

(13) such other terms as the Exchange may specify.

(b) Each Product Appendix forms part of these Rules.

(c) Amendments to a Product Appendix shall be made in accordance with Rule 1223 and applicable law.

(d) For each Contract listed by the Exchange, the Contract's terms shall be in accordance with the schedule below.

Term	**Description**
Minimum Tick Size and Value	Min tick size: $0.01 per share; Min tick value: $0.0001 per Contract or such other min tick size or min tick value identified by the Exchange in a Notice to Participants.
Trading Hours	Sunday 8:00 PM ET – Friday 5:00 PM ET.
Daily Settlement Price Methodology	The daily settlement price methodology for the Contract shall be the methodology set forth in Rule 1209.
Cash Adjustment (Funding)	The cash adjustment methodology for the Contract shall be the methodology set forth in Rule 1212.
Price Fluctuation Limits	As determined and published by the Exchange.
Underlying Market Halt	The market for the Contract will go into halt if the Underlying Security is halted.
Market-Wide Halt	Market-wide circuit breakers ("MWCB"): when Level 1, 2, or 3 MWCBs are declared due to the S&P 500 Index having fallen 7%, 13%, or 20% for the day, all Contracts are halted for trading.
Position Limits, Position Accountability	As determined and published by the Exchange in accordance with the Rulebook.
Block Trade Eligible	Yes.
Spot Market Index	The spot market index for the Contract shall be the corresponding index developed by the Exchange in accordance with Rule 1211.
Initial Margin	As determined and published by the Exchange in accordance with the Rulebook.

RULE 1205. Trading Hours

(a) Contracts shall trade from Sunday at 20:00 Eastern Time through Friday at 17:00 Eastern Time, except during holidays, maintenance windows, or other periods specified by the Exchange.

(b) The Exchange may modify trading hours for a Contract by rule, filing, certification, notice, or other action permitted by applicable law.

(c) **[Reserved.]**

RULE 1206. Participant Access and Order Entry

Access to trading in Contracts shall be governed by the Exchange's generally applicable Rules concerning membership, access, customer protection, order entry, market conduct, and supervision, except as otherwise provided in this Chapter. Only futures commission merchants, introducing brokers, commodity trading advisors, commodity pool operators, or associated persons subject to suitability rules comparable to those of a national securities association registered under Section 15A(a) of the Exchange Act may solicit, accept any order for, or otherwise deal in any transaction in or in connection with a Contract.

RULE 1207. Regulatory Halts and Trading Halts

(a) Trading in a Contract shall be halted at all times during which a Regulatory Halt has been instituted for the Underlying Security.

(b) All Contracts are subject to market-wide circuit breakers and coordinated halts applicable to the U.S. equity markets.

(c) The Exchange may halt, pause, suspend, reject, cancel, or restrict trading in a Contract where necessary to maintain a fair and orderly market, including in connection with:

(1) a Corporate Action;

(2) a market disruption;

(3) an Index Price disruption or data outage;

(4) a clearly erroneous or aberrant market condition; or

(5) a planned or unplanned wind-down, delisting, or termination of the Contract.

(d) The Exchange shall maintain procedures to coordinate trading halts and resumptions with the Primary Listing Exchange, the Clearing House, and other relevant markets.

(e) Trading in a Contract shall resume in accordance with Exchange procedures after the relevant halt condition has ended and the Exchange determines that resumption is consistent with investor protection and fair and orderly markets.

RULE 1208. Position Limits and Position Accountability

(a) Each Contract shall be subject to such position limit, accountability level, and reportable level as the Exchange establishes and publishes in the applicable Product Appendix. Position limits for each Contract shall be set at 200,000 contracts in the context of 100 share contracts (or the equivalent thereto, to the extent contracts are listed in another size).

(b) Because Contracts have no fixed expiration date, any position limits established under this Rule apply at all times and are not limited to any period preceding expiration.

(c) The Exchange shall establish position limits or accountability levels for each Contract consistent with applicable law, including CFTC Regulation 41.25(b)(3), and may revise such levels based on deliverable supply, trading volume, market conditions, or other relevant factors.

(d) The Exchange shall review applicable position limits and accountability levels not less frequently than semi-annually, or more frequently if the Exchange determines appropriate.

(e) Where a position exceeds an otherwise applicable limit solely as a result of an adjustment under Rule 1213, such excess shall not constitute a violation of this Rule; provided that no position-increasing transactions may be effected until the position is reduced below the applicable limit, unless otherwise permitted by the Exchange.

(f) Applications for exemptions or waivers permitted by law shall be made to the Exchange in such form and manner as the Exchange may prescribe.

(g) Positions shall be aggregated, and netting shall be permitted or prohibited, in each case as provided by applicable law and the Exchange's generally applicable Rules.

RULE 1209. Daily Settlement Price and Price Controls

(a) The Daily Settlement Price for a Contract shall be determined at 16:00 Eastern Time as follows, in order:

(1) the one-minute volume-weighted average price of the Contract, rounded to the nearest tradable tick;

(2) if paragraph (1) is unavailable, the one-minute time-weighted average of the midpoint of the best bid and best offer for the Contract, rounded to the nearest tradable tick; and

(3) if no two-sided market is available during the sixty (60) seconds preceding 16:00 Eastern Time, the Index Price less the difference between the prior day's Index Price and the prior day's Daily Settlement Price.

(b) The Exchange may determine a Daily Settlement Price using another methodology where necessary to reflect an accurate price or maintain a fair and orderly market, and shall publish notice of any such action as soon as practicable.

(c) Each Contract shall be subject to such price fluctuation limits, dynamic price bands, and other price controls as the Exchange establishes in the applicable Product Appendix and identified Market Reference Materials.

(d) The Exchange's generally applicable fast-market, order-management, and market-integrity controls apply to Contracts.

RULE 1210. No Scheduled Final Settlement

(a) Contracts have no fixed expiration date and no scheduled final settlement.

(b) Convergence between the price of a Contract and the price of the Underlying Security is effected through the funding mechanism described in Rule 1212, the applicable Product Appendix, and identified Market Reference Materials.

(c) A Contract may be terminated and settled in cash only upon an event specified in Rule 1213 or Rule 1214.

RULE 1211. Index Price

(a) The Exchange shall determine an Index Price for each Contract pursuant to a transparent, objective methodology designed to reflect the price of the Underlying Security in a manner that is reliable and resistant to manipulation.

(b) The Index Price methodology for each Contract shall be set forth in the applicable Product Appendix or identified Market Reference Materials published prior to listing.

(c) The applicable methodology may incorporate direct equity feeds and such related inputs, validation checks, fallbacks, and operational controls as the Exchange specifies for the relevant Contract.

(d) Where the Index Price is unavailable, delayed, stale, erroneous, or materially inaccurate, the Exchange may determine substitute inputs, replacement values, or other measures in accordance with the applicable Product Appendix, identified Market Reference Materials, and such authority as may be necessary to maintain a fair and orderly market.

(e) The Exchange shall provide notice of any material change to the Index Price methodology, except where immediate action is necessary to protect investors, the public interest, or the fair and orderly operation of the market.

(f) For each Contract listed by the Exchange, the Index Price shall be calculated in accordance with the schedule below.

Term	**Description**
Index Provider	The index is calculated by the Exchange.
Index Calculation Frequency	The index is calculated once per second and is designed to produce a continuous, non-stale reference price throughout the Contracts' trading hours (Sunday 8:00 p.m. ET through Friday 5:00 p.m. ET).
Index Data Sources	For a given Underlying Security, the index draws on direct market-data feeds covering the full U.S. equity trading day, including the following: Pyth: Direct feed; Pre-Market Session, Regular Trading Hours, After-Hours Session, and Overnight Session. dxFeed: Direct feed; Overnight Session. Exponential Moving Average ("EMA") of the Contract's Mark Price: Fallback reference used only when direct-feed inputs are unavailable or fail validation. The EMA is a one-hour EMA, 30-minute EMA or such other EMA identified by the Exchange in a Notice to Participants. Direct feeds are the primary determinant of the index at all times when they are available and pass the validation checks described below. The EMA serves two purposes: it acts as a sanity reference against which a small number of surviving direct-feed prices are validated, and it acts as the fallback price when no direct-feed input survives validation.

	Accordingly, the EMA is not a co-equal price source; it is a bounded fallback and a validation reference.
Trading Sessions	For purposes of the Index Price calculation, trading sessions shall have the following durations: Pre-Market Session: 4:00 a.m. ET – 9:30 a.m. ET. Regular Trading Hours: 9:30 a.m. ET – 4:00 p.m. ET. After-Hours Session: 4:00 p.m. ET – 8:00 p.m. ET. Overnight Session: 8:00 p.m. ET – 4:00 a.m. ET.

Index Construction and Methodology	The index is recalculated every second, and every step below is applied on each tick.
	
	Freshness: An input price is considered fresh only if it has updated within the preceding 60 seconds. Stale prices are evicted from the calculation before any further step.
	
	Arbitration check: The surviving fresh prices are then validated pursuant to the following processes:
	
	- Regular Trading Hours / Pre-Market Session / After-Hours Session
	  ○ Price Input: Pyth
	  ○ Check: The direct feed price is checked to see if it is within 2.5% of the EMA. If so, the price is accepted. If not, then the EMA is used as the price for this interval.
	
	- Overnight Session
	  ○ Price Input: Pyth, dxFeed
	  ○ Check: If the two prices are within 2.5% of each other, the index is the median of the pair. If they are more than 2.5% apart and one is the configured default venue, the index is the default venue's price. If they are more than 2.5% apart and one is within 2.5% of the EMA, the Index is that price. If they are more than 2.5% apart and neither is within 2.5% of the EMA, the Index is the EMA.

Corporate Action Handling	For corporate action handling, the process is to halt the affected market first and pause the Index Price so that no calculations are made from mixed pre-adjustment and post-adjustment inputs. The Exchange then applies the corporate action, including settlement and any required order adjustments, and confirms that EMA and related internal metrics are updated correctly. The index waits for pricing sources to update their reference

	data in accordance with the corporate action. The Exchange waits for the pricing sources to complete their update and makes any necessary manual adjustments if that update is delayed. Once the update is complete and the EMA and index are verified as healthy, the Exchange resumes publishing the Index Price first and then resumes the market. This process ensures that the index is not calculated from stale or mixed inputs and that funding or settlement values are not based on a reference price that does not reflect the current economics of the Underlying Security.

RULE 1212. Funding Payments

(a) Open positions are subject to Funding Payments.

(b) The Funding Rate methodology, Funding Payment mechanics, Funding Interval, publication practices, and operational timing for each Contract shall be set forth in the applicable Product Appendix and identified Market Reference Materials.

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(d) The Exchange may suspend, defer, modify, or decline to publish or apply Funding Rates or Funding Payments during market disruptions, trading halts, data outages, Corporate Actions, or other circumstances where the Exchange determines such action is necessary to maintain a fair and orderly market.

(e) Where a Contract is closed, paused, or halted for an entire Funding Interval, the Exchange may decline to publish a Funding Rate for that interval, as specified in the applicable Product Appendix or identified Market Reference Materials.

(f) For each Contract listed by the Exchange, Funding Payments shall be calculated in accordance with the schedule below.

Term	**Description**
Procedure	Funding Payments will be calculated every hour by the Clearing House. The Clearing House will aggregate each account's Funding Payments at the time of mid-day and end-of-day margin runs and disseminate them to all clearing firms, who will then adjust accounts accordingly via a cash adjustment. This process will occur during the regular mark to market and will be shared in the Clearing House postings file.
Funding Payment Calculation	Funding Rate * Open Position Quantity * Contract Multiplier * Futures Mark Price * -1.
Funding Rate Calculation	The Funding Rate calculation takes the difference between the Mark Price and the Index Price every three minutes over an hour (twenty 3-minute periods), averaged and scaled down by a factor of 24 to represent the hourly premium.

	A smoothing factor is applied: current hour's premium at 75% weight and previous hour's funding rate at 25% weight. The resulting Funding Rate is subject to a clamp of ±0.10% (±10 bps) per hour. Formula: clamp(Premium × α + Previous Funding Rate × (1 − α), −0.10%, +0.10%), where Premium = TWAP([(Mark Price – Index Price) / Index Price / 24], 1 hour, 3 min); α = 0.75. NOTE: If the futures market is CLOSED, PAUSED, or HALTED for an ENTIRE hour, then there will be no Funding Rate published for that hour.

RULE 1213. Adjustments for Corporate Actions

(a) The Exchange shall determine the treatment of a Corporate Action affecting a Contract and shall publish a Corporate Action Circular specifying the applicable treatment, timing, and operational details. The Clearing House shall process any resulting position adjustments, settlements, or related actions in accordance with these Rules, its own rules, and applicable procedures.

(b) The Contract Unit shall not be redefined by any adjustment under this Rule.

(c) An adjustment under this Rule is intended solely to preserve, as nearly as practicable, the aggregate economic exposure represented by an open position immediately before the relevant Corporate Action, any adjustment does not terminate, exchange, dispose of, or create a new position.

(d) Ordinary cash dividends. No adjustment shall be made for an ordinary cash dividend. The economic effect of such dividend is expected to be reflected through the market price and funding mechanism.

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(g) Special or extraordinary cash dividends. The Exchange may determine, in its discretion, whether an adjustment is appropriate for a special or extraordinary cash dividend and, if so, may apply such position, or price adjustment, as it determines appropriate by reference to the Corporate Action Reference Price or other relevant values determined at the time of the event.

(h) Rights offerings. The Exchange may adjust open position quantity, relevant reference prices, and any resulting residual amount in the manner specified in the applicable Product Appendix or Corporate Action Circular.

(i) Spin-offs. Where the Underlying Security is subject to a spin-off or similar separation event, the Exchange may settle open positions at the blended value of the Underlying Security price and the price of any spin-off Underlying Security price.

(j) Mergers and acquisitions. Where the Underlying Security is subject to a merger, acquisition, tender offer, cash transaction, stock-for-stock transaction, mixed consideration transaction, or similar event inconsistent with continued listing of the Contract, the Exchange may terminate the affected Contract and settle open positions in cash using the value of the transaction consideration and any related Underlying Security price, in each case as determined by the Exchange at the time of the event and specified in the applicable Corporate Action Circular. A successor Contract may be listed where appropriate.

(k) Ticker and name changes. The Exchange may halt trading, update symbology and market-data references, and reopen trading without economic adjustment.

(l) Delisting or trading suspension of Underlying Security. If the Underlying Security is delisted, suspended, or otherwise becomes unavailable for continued listing without sufficient prior notice to permit an orderly wind-down, trading in the affected Contract shall halt and open positions shall be settled at a publicly published fair value or such other value as the Exchange determines under these Rules, after which the Contract shall be delisted.

(m) Timing and operations. The Exchange shall have discretion to determine the effective date and time of any adjustment or settlement under this Rule, any related halt window, the treatment of resting orders, and the treatment of positions opened or closed around the event, in each case as specified in the applicable Corporate Action Circular.

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(o) Books and records. The Exchange, the Clearing House, and Clearing Members shall maintain records linking any adjusted or settled position to the relevant pre-event position, sufficient to permit reconciliation.

(p) Notice. The Exchange shall publish a Corporate Action Circular for each Corporate Action it determines to be material to a Contract, specifying the action type, effective date, timing, halt status, position treatment, pricing inputs, and related operational instructions.

RULE 1214. Wind-Down, Termination, and Delisting

(a) Where an Underlying Security ceases to satisfy the listing standards in Rule 1203, becomes subject to a Corporate Action inconsistent with continued listing, is delisted from its Primary Listing Exchange, or otherwise becomes unsuitable for continued trading as a Contract, the Exchange may provide for an orderly wind-down, termination, delisting, cash settlement, or forced position closure.

(b) Except where shorter notice is necessary to protect investors or maintain fair and orderly markets, the Exchange shall provide no less than 10 Business Days' notice before a planned wind-down, termination, or delisting.

(c) Where the Exchange delists or terminates a Contract, the last trading day shall be the trading day on which trading in the Contract ceases. The Daily Settlement Price for that trading day shall be used to close out or cash settle open positions, unless the Exchange determines that an alternative procedure is necessary under these Rules.

(d) Rule 1213(l) governs unanticipated delistings or suspensions of the Underlying Security that make an orderly wind-down impracticable. This Rule governs planned or orderly wind-downs.

(e) The Exchange shall publish a notice describing any wind-down, termination, or delisting under this Rule.

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RULE 1216. U.S. Withholding Tax and Participant Eligibility

(a) The Exchange may establish participant or Clearing Member eligibility requirements, certifications, representations, or undertakings relating to U.S. withholding tax, dividend-equivalent withholding, FATCA, qualified intermediary status, qualified derivatives dealer status, or related matters applicable to Contracts.

(b) **[Reserved]**

RULE 1217. Prohibition on Trading by Certain Persons

No person may trade in a Contract if prohibited from doing so by applicable law, including any person:

(a) who is a director or officer, subject to Section 16 of the Exchange Act, of an issuer of an Underlying Security, to the extent prohibited by law; or

(b) who is in possession of material non-public information regarding such issuer and is prohibited by law from trading.

RULE 1218. Reporting and Publication

(a) The Exchange shall comply with applicable CFTC and SEC reporting requirements relating to Contracts, including Parts 16 and 17 of the CFTC's regulations and any successor provisions.

(b) The Exchange shall publish for each Contract such market information as may be required by law or by the Exchange's applicable filings, including Daily Settlement Price, trading volume, open interest, and such funding and reference-price information as the Exchange specifies in the applicable Product Appendix or identified Market Reference Materials.

(c) The Exchange shall maintain and submit such files, reports, and records as are required by applicable law and by the Exchange's regulatory obligations for Contracts.

RULE 1219. Block Trades and Basis Trades

(a) Block trades in Contracts are permitted, subject to such minimum quantity thresholds, participant eligibility requirements, reporting times, price-reasonability requirements, and other conditions as the Exchange may establish in the applicable Product Appendix or by notice.

(b) Basis trades. **[Reserved.]**

RULE 1220. Error Trades and Price Adjustments

Contracts are subject to the Exchange's generally applicable Rules governing error trades, trade cancellations, price adjustments, and clearly erroneous executions, except as otherwise provided in this Chapter.

RULE 1221. Clearing

(a) All Contracts shall be cleared by the Clearing House.

(b) The Exchange shall maintain such linked and coordinated clearing arrangements, risk-management procedures, communication protocols, and operational processes with the Clearing House as are required by law and by the Exchange's applicable filings.

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RULE 1222. Approved Securities

The Underlying Securities approved as the subject of Contracts shall be those identified in the applicable Product Appendices or in a list published by the Exchange, as amended from time to time in accordance with Rule 1223 and applicable law.

RULE 1223. Amendments, Additions, Suspensions, and Delistings

(a) The Exchange may list, add, amend, suspend, terminate, or delist Contracts and Product Appendices in accordance with the Securities Exchange Act of 1934, the Commodity Exchange Act, applicable SEC and CFTC rules and regulations, and these Rules.

(b) Without limitation, amendments may be made pursuant to Section 19(b)(7) or Section 19(b)(2) of the Exchange Act, CFTC Regulation 41.24, or other applicable provisions, as required by law.

(c) The Exchange may suspend, terminate, or delist a Contract in accordance with Rule 1213 or Rule 1214, or where necessary to maintain a fair and orderly market.

RULE 1224. Participant Disclosures

The Exchange shall publish disclosures covering, as applicable:

(a) the cash-settled nature of the Contracts;

(b) the fact that holders do not obtain ownership of the Underlying Security;

(c) the funding mechanism;

(d) extended-hours liquidity and pricing risks;

(e) the treatment of Corporate Actions;

(f) the possibility of termination, delisting, or cash settlement upon specified events; and

(g) such other matters as the Exchange determines appropriate or as may be required by law.

RULE 1225. Data Publication

For 18 months from the initial listing of the first Contract, or for such other period as may be required by applicable filings or exemptive relief, the Exchange shall make publicly available in machine-readable form such data relating to Contracts as may be required by law or by the Exchange's applicable filings, which may include:

(a) Daily Settlement Prices;

(b) Index Prices, Mark Prices, Funding Rates, and related basis information;

(c) daily or periodic aggregate long and short positions by participant or account type;

(d) trading volume and open interest; and

(e) such other data as may be required by law, filing, order, or Exchange rule.