

CFTC SUBMISSION COVER SHEET

Organization:	ProphetX LLC
Filing as a:	☒ DCM ☐ SEF ☐ DCO ☐ SDR
Date:	September 18, 2026
Filing Description:	Certification of the ProphetX Nascent Markets Program, implemented under existing Chapter 8 (Market Makers) of the ProphetX Rulebook.

FILING TYPE**Organization Rules and Rule Amendments**

- ☒ Certification — § 40.6(a)
- ☐ Request for Approval — § 40.5(a)
- ☐ Notification — § 40.6(d)
- ☐ Advance Notice of SIDCO Rule Change — § 40.10(a)
- ☐ SIDCO Emergency Rule Change — § 40.10(h)

Rule Numbers: Existing Chapter 8, Rules 8.1, 8.2, 8.3, and 8.4 (Market Makers) (enabling authority; no rule text amended by this filing).

New Product or Product Amendment

- ☐ Certification — § 40.2(a)
- ☐ Request for Approval — § 40.3(a)
- ☐ Novel Derivative Product Notification — § 40.12(a)
- ☐ Swap Class Certification — § 40.2(d)

Product / Official Product Name: Not applicable (rule filing).

September 18, 2026

SUBMITTED VIA CFTC PORTAL

Secretary of the Commission
Office of the Secretariat
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**Re: ProphetX LLC – Certification of the ProphetX Nascent Markets Program
(Implemented Under Existing Chapter 8 of the ProphetX Rulebook)**

Dear Sir or Madam,

ProphetX LLC ("ProphetX," the "Exchange," or "ProphetX DCM") hereby certifies, pursuant to Section 5c(c) of the Commodity Exchange Act (the "Act" or "CEA") and Commodity Futures Trading Commission (the "Commission" or "CFTC") Regulation 40.6(a), and in accordance with ProphetX Rules 2.2 and 3.6, the ProphetX Nascent Markets Program (the "Program"), including the ProphetX Nascent Markets Program Agreement and Schedule A (Program Terms), submitted under confidential cover as Appendix C. The Program is offered under existing Chapter 8 (Market Makers) of the ProphetX Rulebook, which is already in effect; this filing does not amend any Rulebook text. The Program will become effective on or after October 2, 2026, which is no earlier than ten (10) business days following the date of this submission.

Established pursuant to Rule 8.1(g), the Program operates alongside and does not replace, supersede, or amend the ProphetX Market Maker Program certified on July 13, 2026 or the ProphetX Pro Market Maker Program certified on August 12, 2026; participants in all three programs are designated as Market Makers under the same Chapter 8 designation.

Existing Chapter 8 of the Rulebook sets forth the eligibility criteria for designation as a Market Maker (Rule 8.1), the manner of designation and ongoing performance evaluation, including the Exchange's authority to suspend, restrict, or terminate a Market Maker's designation upon a failure to meet applicable standards (Rule 8.2), the benefits that may be made available to Market Makers in accordance with any applicable Market Maker program (Rule 8.3), and the obligations of Market Makers under the Rulebook, including the obligation to maintain two-sided markets within the applicable spread, size, and availability requirements established by the Exchange's Market Maker Program and to conduct their activities consistent with fair and orderly markets (Rule 8.4).

Under existing Chapter 8 of the Rulebook, the Exchange is implementing the Program, a specialist market-maker program under which a Market Maker enters into a Nascent Markets Program Agreement with the Exchange and elects to participate in the Program generally. Unlike the Exchange's other Market Maker programs, the Program does not cover a fixed, pre-identified set of leagues, categories, or market types. Instead, the Exchange designates individual contracts as "Nascent Markets" pursuant to objective, pre-established criteria set forth in the Agreement and Program Terms and invites Market Makers participating in the Program to express interest in providing liquidity. Eligible Market Makers are admitted to individual Nascent

Markets pursuant to objective, non-discriminatory criteria and are subject to uniform liquidity-provision requirements. In exchange for satisfying those requirements, a Market Maker may receive fee rebates and liquidity incentives subject to pre-established parameters and limits. The Program applies uniformly to participating Market Makers on the same objective terms and is administered in accordance with Chapter 8 of the Rulebook and the Agreement. The complete terms of the Program, including its designation and admission criteria, performance requirements, incentive parameters and limits, are set forth in Appendix C and submitted under a request for confidential treatment as described below.

ProphetX has reviewed the designated contract market Core Principles set forth in Section 5(d) of the Act and Part 38 of the Commission's regulations and has concluded that the Program is not inconsistent with the Act or the CFTC's regulations thereunder. ProphetX has identified the following Core Principles as most directly relevant: Core Principle 2 (Compliance with Rules); Core Principle 3 (Contracts Not Readily Susceptible to Manipulation); Core Principle 4 (Prevention of Market Disruption); Core Principle 7 (Availability of General Information); Core Principle 9 (Execution of Transactions); Core Principle 12 (Protection of Markets and Market Participants); Core Principle 16 (Conflicts of Interest); Core Principle 18 (Recordkeeping); Core Principle 19 (Antitrust Considerations); and Core Principle 21 (Financial Resources). A Core Principle compliance analysis is submitted under confidential cover as Appendix A.

The Program will be governed by and administered in accordance with the Exchange Rulebook and the Agreement. Existing Chapter 8 sets forth the eligibility, designation, benefits, and obligations applicable to Market Makers, and provides that Market Makers remain subject to all market surveillance, trade practice monitoring, and compliance requirements applicable to other Market Participants. ProphetX Rule 3.6(f) authorizes the Exchange to establish incentive programs to encourage market participation and trading, and Rules 3.6(b) and 3.6(d) require that fees and fee structures be applied in a fair, transparent, and non-discriminatory manner; the Program is consistent with these authorities.

The Program is administered on impartial, transparent, and objective criteria applied in a non-discriminatory manner, with equal opportunity and uniform application of incentives for all Market Makers admitted to a given Nascent Market; the Exchange does not offer hidden, one-off, or preferential arrangements, undisclosed perks, retention bonuses, non-cash prizes, or sweepstakes-, chance-, or game-based rewards, and does not provide selectively available trading advantages such as faster market data or enhanced API access. Participation in the Program is voluntary and open to any Market Participant designated as a Market Maker on the same objective terms.

The Program's incentives are designed to compensate bona fide liquidity provision and are not intended to reward artificial trading volume, guarantee profits, or offset trading losses; incentives are subject to pre-established limits and controls designed to prevent compensation for wash trading, pre-arranged trading, self-matching, or other non-bona fide activity. The Program does not alter the Exchange's anonymous central-limit-order-book execution under Rule 4.3 or its request-for-quote system under Rule 4.4, does not impair the Exchange's trade practice and market surveillance program, and does not render any Exchange contract readily susceptible to manipulation. The Program is anticipated to be economically sustainable and is not expected to adversely affect ProphetX's satisfaction of its financial resources requirements.

ProphetX certifies that the Program complies with the requirements of the Act and the rules and regulations promulgated thereunder. No substantive opposing views with respect to the Program were expressed to ProphetX by its governing board or committee members, members of the Exchange, or market participants. ProphetX further certifies that, concurrent with this submission, ProphetX posted on its website a notice of pending certification with the Commission and a copy of the public portions of this submission, which may be accessed at: <https://www.prophetx.co/lobby/t-c/filings>. ProphetX will provide to Commission staff, upon request, any additional information, data, or documentation that may assist the Commission in its review of this submission.

Please note that the Core Principle Compliance Analysis set forth in Appendix A and the Nascent Markets Program Agreement, including Schedule A (Program Terms), set forth in Appendix C constitute confidential commercial information and are submitted under a request for confidential treatment pursuant to the procedures provided in CFTC Regulation 40.8 and CFTC Regulation 145.9, as set forth in the accompanying request for confidential treatment. Consistent with CFTC Regulation 40.6(a)(2), these confidential materials have been omitted from the version of this submission posted on the Exchange's website, and ProphetX will republish such information consistent with any determination made pursuant to CFTC Regulation 40.8(c)(4).

If you have any questions or comments or require further information, please do not hesitate to contact me.

Sincerely,

/s/ Gabe Wong
Gabe Wong
Chief Regulatory Officer
ProphetX LLC
gabe.wong@prophetexchange.com

Enclosures:

Appendix A – Core Principle Compliance Analysis (Confidential)
Appendix B – Description of the ProphetX Nascent Markets Program (Public)
Appendix C – ProphetX Nascent Markets Program Agreement, including Schedule A – Program Terms (Confidential)
FOIA Request for Confidential Treatment

FOIA CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO 17 C.F.R. § 145.9

Appendix A – Core Principle Compliance Analysis

The table below sets forth ProphetX's analysis of the ProphetX Nascent Markets Program, including the Nascent Markets Program Agreement attached as Appendix C (together, the "Submission"), under each Core Principle directly applicable to the Submission pursuant to Section 5(d) of the Act and Part 38 of the Commission's regulations. ProphetX has concluded that the Submission is not inconsistent with the Act and the CFTC's regulations thereunder.

Appendix B – Description of the ProphetX Nascent Markets Program

This Appendix provides a public overview of the ProphetX Nascent Markets Program (the “Program”). The complete terms of the Program, including the applicable criteria, parameters, methodologies, and economic terms described below, are set forth in the Nascent Markets Program Agreement and related Program Terms submitted to the Commission under confidential cover as Appendix C, which govern the Program.

Program Type and Purpose

The Program is a specialist market-maker liquidity program established under Chapter 8 of the ProphetX Rulebook. Its purpose is to encourage bona fide two-sided liquidity, deepen order books, support price discovery, and promote orderly trading in newly listable or newly active Contracts for which additional liquidity may be beneficial. Participation is voluntary and limited to Market Participants designated as Market Makers under Chapter 8. The Program’s incentives are intended to compensate bona fide liquidity provision and are not designed to reward artificial trading volume, guarantee profits, or offset trading losses.

Nascent Market Designation

Unlike the Exchange’s other Market Maker programs, the Program does not apply to a fixed, pre-identified set of leagues, categories, or market types. Instead, the Exchange may designate individual Contracts as “Nascent Markets” on an ongoing basis pursuant to objective, pre-established criteria designed to identify newly listable or newly active markets in which additional liquidity may be beneficial. The detailed designation criteria and methodologies are set forth in the confidential Program Agreement and Program Terms.

A Contract designated as a Nascent Market will remain so designated for a period of not less than thirty (30) calendar days and not more than three (3) months, except where the Contract expires, settles, is delisted, or otherwise ceases trading earlier. The applicable designation period will be selected within that range in accordance with objective, pre-established criteria set forth in the confidential Program Agreement and Program Terms. Participating Market Makers will receive not less than twenty-four (24) hours’ prior electronic notice of the designation, the applicable designation period, quoting obligations, incentive rate, and other material Program terms before the designation becomes effective.

Participation and Admission

A Market Maker elects to participate in the Program generally. When the Exchange designates a Nascent Market, participating Market Makers are given an opportunity to express interest in providing liquidity in that market. Admission is determined pursuant to objective and non-discriminatory criteria designed to assess a Market Maker’s ability to satisfy the applicable liquidity, operational, compliance, and risk-management requirements. The Exchange applies those criteria consistently to similarly situated Market Makers and does not offer preferential or privately negotiated admission terms. The confidential Program Agreement sets forth the detailed eligibility and admission criteria.

Market Maker Obligations

For each Nascent Market to which it is admitted, a Market Maker must maintain bona fide two-sided liquidity in accordance with applicable minimum-size, maximum-spread, and minimum-availability requirements established within the pre-defined tier ranges set forth in the

confidential Program Terms. The Exchange may select requirements within those filed ranges only by applying the closed set of objectively verifiable market characteristics specified in the Program Agreement and Program Terms, which also specify the direction in which those characteristics may support selection of more or less demanding requirements. The Exchange documents the basis for each selection and applies the criteria consistently to similarly situated Nascent Markets. All Market Makers admitted to the same Nascent Market are subject to the same requirements. Market Makers remain subject to all other applicable obligations under Chapter 8 and the Exchange Rulebook.

The Program also provides for limited, objectively defined circumstances in which applicable quoting obligations may be suspended, including trading halts, Exchange systems disruptions, communications or infrastructure failures, and other circumstances specified in the Program Agreement. Any such relief is administered consistently among similarly situated Market Makers.

Program Incentives

A Market Maker that satisfies the applicable Program requirements may receive fee-related rebates and a Market Maker Matched Volume incentive (“MMMV”) based on qualifying matched volume. The incentives are determined pursuant to pre-established methodologies and parameters, are subject to applicable limits and caps, and are designed to compensate bona fide liquidity provision. The MMMV rate for a Nascent Market is selected within the applicable filed tier range only by applying the closed set of objectively verifiable market characteristics specified in the confidential Program Agreement and Program Terms, with greater objectively demonstrated liquidity need supporting selection toward the higher end of the range and stronger existing liquidity supporting selection toward the lower end. Fee rebates are credited against platform fees, or paid in cash at the Market Maker’s request, and MMMV is paid in cash monthly in arrears. All Market Makers admitted to the same Nascent Market are eligible for the applicable incentives on the same terms.

The Program excludes categories of volume that would not reflect bona fide liquidity provision, and the Exchange may exclude transactions that do not satisfy the Program’s qualifying-volume requirements. Where a Nascent Market would otherwise be subject to another Exchange Market Maker or incentive program, the Program Agreement governs the treatment of overlapping benefits so that duplicative compensation is not paid. The detailed calculation methodology, rates, parameters, and compensation limits are set forth in the confidential Program Agreement and Program Terms.

Performance Measurement and Administration

The Exchange determines whether a Market Maker has satisfied the applicable Program requirements and is eligible for Program incentives using its books and records and uniform measurement methodologies. The same methodology is applied consistently to Market Makers participating in the same Nascent Market. The Program does not alter the Exchange’s transaction-execution methodology, order priority, or access to market data, order-processing functionality, or Exchange systems.

Surveillance and Market Integrity

All activity under the Program remains subject to the Exchange’s trade-practice, market-surveillance, compliance, and risk-management framework. The Exchange maintains controls

designed to address risks associated with incentive programs and may exclude activity from incentive calculations, withhold or forfeit incentives, or suspend or terminate a Market Maker's participation where Program requirements or applicable Exchange Rules are not satisfied.

Term and Amendments

The Program will remain in effect through October 1, 2027, unless earlier terminated or extended in accordance with applicable regulatory requirements. Each individual Nascent Market designation remains in effect for the period specified by the Exchange at designation, which will be not less than thirty (30) calendar days and not more than three (3) months except where the Contract expires, settles, is delisted, or otherwise ceases trading earlier. Any material change to the Program—including changes to its designation or admission criteria, participant obligations or the criteria governing selection of quoting requirements within filed ranges, incentive structure or the criteria governing selection of MMMV rates within filed ranges, economic parameters, designation-duration framework, or Program duration—will be implemented through the applicable Part 40 filing process. Non-substantive changes may be implemented in accordance with CFTC Regulation 40.6(d).

September 18, 2026

Assistant Secretary of the Commission for FOIA
Privacy and Sunshine Acts Compliance
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581
FOIAsubmissions@cftc.gov

Re: FOIA Confidential Treatment Request — ProphetX LLC Certification of the ProphetX Nascent Markets Program (§ 40.6(a))

Dear Sir or Madam,

We write to inform you that ProphetX LLC ("Exchange," "ProphetX," or "we") submitted on September 18, 2026 to the Commodity Futures Trading Commission ("CFTC") the materials described in the Appendix to this letter (the "Confidential Submission"), as part of a certification filed under Section 5c(c)(1) of the Commodity Exchange Act (the "Act") and CFTC Regulation 40.6(a), via the CFTC Portal to the Secretary of the Commission and the Division of Market Oversight. The Confidential Submission consists of Confidential Appendix A (Core Principle Compliance Analysis) and Appendix C (ProphetX Nascent Markets Program Agreement, including Schedule A (Program Terms)), each of which is clearly marked and segregated from the public portions of the submission.

Because the certification is filed under Part 40 of the CFTC's regulations, confidential treatment is governed by 17 C.F.R. § 40.8, which incorporates the standards of 17 C.F.R. § 145.9 and provides that a detailed written justification accompany this request. Pursuant to CFTC Regulation 145.9, 17 C.F.R. § 145.9, we hereby request that the CFTC afford confidential treatment to the Confidential Submission and any copies thereof, and any other materials and correspondence related to the certification that is not required by law to be made public. Furthermore, we request confidential treatment of any memoranda, notes, transcripts or other writings of any sort that are made by, or at the request of, any employee of the CFTC (or of any government employee, agent, or agency) and that: (1) incorporate or relate to any aspect of the Confidential Submission; or (2) refer to any conference, meeting, or telephone conversation between the Exchange, its current or former employees, representatives, agents, auditors, or counsel on the one hand and employees of the CFTC (or of any other government agency) on the other hand, relating to the Confidential Submission ("Derivative Materials").

We request confidential treatment on the grounds that, pursuant to 17 C.F.R. § 145.9(d)(1)(ii), the Confidential Submission and any Derivative Materials contain and constitute the Exchange's "trade secrets or confidential commercial or financial information" and other competitively sensitive information. Disclosure of the Confidential Submission or any Derivative Materials would place the Exchange at a competitive disadvantage with competitors who do not publicly reveal such information. Therefore, the Confidential Submission and any Derivative Materials are subject to, at a minimum, the exemption from mandatory disclosure under Exemption Number 4 of the Freedom of Information Act, 5 U.S.C. § 552 ("FOIA").

The Confidential Submission is competitively sensitive. Appendix C (ProphetX Nascent Markets Program Agreement, including Schedule A (Program Terms)) sets forth in granular detail the proprietary economics and operational requirements of the ProphetX Nascent Markets Program, including the objective recency and trading-interest metrics used to designate a Contract as a Nascent Market; participant eligibility, admission, performance, and administration provisions; the volume/tick-size tiers and the associated minimum size, maximum spread, and minimum availability ranges; the MMMV rate ranges applicable to each tier; and the aggregate monthly compensation cap. Confidential Appendix A (Core Principle Compliance Analysis) describes the Program's proprietary design, including its designation and participant-selection methodology, together with the Exchange's related regulatory, risk-management, and commercial rationale. Public disclosure would expose the Exchange's liquidity-incentive economics to competing venues and to prospective and current Market Makers, allow competitors to replicate the Program's design, and permit participants to reverse-engineer or arbitrage its designation and qualification thresholds, placing the Exchange, a privately held company, at a competitive disadvantage relative to competitors that do not publicly disclose such terms. This submission does not amend the Rulebook. The public portions, being the cover letter, the concise explanation, the Program Description (Appendix B), contain what the public needs to understand the Program and are being posted concurrently on the Exchange's website. The Confidential Submission is not directed to the trading public and is reasonably segregable.

If any person (including any government employee who is not an employee of the CFTC) requests an opportunity to inspect or copy any of the Confidential Submission (or any Derivative Materials) or the CFTC receives any FOIA request or any other court order, subpoena or summons for the Confidential Submission (or any Derivative Materials), we request that we be immediately notified of any such request, be promptly furnished with all written materials pertaining to such request, and be given a reasonable opportunity to respond, as provided by 17 C.F.R. § 145.9(e).

If the CFTC or its Staff tentatively concludes that the Confidential Submission, or any specific materials therein, or any Derivative Materials are not exempt from disclosure pursuant to FOIA or applicable CFTC regulations, we request, pursuant to 17 C.F.R. § 145.9(f), an opportunity to be heard on these claims of exemption and that we be given at least ten business days' notice prior to any intended release so that we may pursue any available remedies under 17 C.F.R. § 145.9(g), including the appeal and stay procedures provided therein, if deemed appropriate.

Pursuant to 17 C.F.R. § 145.9(d)(2), a copy of this letter is being provided to the relevant members of Staff at the CFTC who received the Confidential Submission. Additionally, we request that a copy of this letter accompany the Confidential Submission and related materials at all times.

In accordance with 17 C.F.R. § 145.9(d)(5), we request that the Confidential Submission and any Derivative Materials be afforded confidential treatment in perpetuity. Thank you for your anticipated cooperation. If you have any questions or require further information, please contact the undersigned at the address and email below.

Sincerely,

/s/ Gabe Wong

Gabe Wong

Chief Regulatory Officer

ProphetX LLC

gabe.wong@prophetexchange.com

Appendix – Description of the Confidential Submission

Confidential Appendix A – Core Principle Compliance Analysis, submitted as part of the certification of the ProphetX Nascent Markets Program under CFTC Regulation 40.6(a).

Confidential Appendix C – ProphetX Nascent Markets Program Agreement, including Schedule A (Program Terms)-certification, setting forth the Program's participant eligibility, admission, performance, and administration provisions; Nascent Market designation metrics, volume/tick-size tiers, MMMV rate ranges, quoting-requirement ranges, aggregate compensation cap.