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Markets

September 24, 2026

Via CFTC Portal Submissions

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

RE: CFTC Regulation 41.24(b) Submission for Approval— Perpetual Security Futures Product Rule Submission: Adoption of Exchange Rulebook Chapter 16 ("Perpetual Security Futures").

OG.com Submission No. 2026-11

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the "CEA" or the "Act"), and §41.24(b) of the regulations promulgated by the Commodity Futures Trading Commission ("CFTC") under the Act, North American Derivatives Exchange, Inc. d/b/a OG.com Markets ("OG.com" or the "Exchange") (the "Exchange"), a designated contract market registered with the CFTC under Section 5 of the Act that is also a notice-registered national securities exchange with the U.S. Securities and Exchange Commission ("SEC") for security futures products, hereby request CFTC approval regarding the adoption of Chapter 16 ("Perpetual Security Futures") of the Exchange Rulebook (the "New Rules") to allow for the listing of cash-settled futures on individual equity securities as perpetual security futures products ("Perpetual Security Futures"). The New Rules are provided as Exhibit A below in blackline format.

Background

This submission constitutes a "Security Futures Product Rule Submission" as defined in CFTC regulation §41.24(b). The Exchange is registered with the CFTC as both a designated contract market ("DCM") and a derivatives clearing organization ("DCO") under the CEA and operates its own DCO (the "Clearinghouse") through which the Exchange clears contracts. On September 14, 2026, the Exchange submitted Form 1-N to the U.S. Securities and Exchange Commission (the "SEC") to register as a national securities exchange for the purpose of trading Security Futures Products (SFPs) under §6(g) of the Securities Exchange Act of 1934 (the "Exchange Act").[1] On September 16, 2026, the SEC acknowledged receipt of the Exchange's Form 1-N.[2] The current Rulebook as effective constitutes Exhibit B to the Exchange's Form 1-N filed with the SEC. The Exchange plans to list U.S. dollar cash-settled Perpetual Security Futures for trading and clearing upon approval by the CFTC.

This filing is related to OG.com Submission No. 2026-10: CFTC Regulation 41.23(b) — Listing of Security Futures Product for Trading: Voluntary Submission of Security Futures Products for Commission Approval Regarding the Initial Listing of Equity Perpetual Contracts dated September 23, 2026.

Pursuant to CFTC §41.24(b), the Exchange hereby seeks approval that it has submitted the New Rules to the SEC with respect to listing standards for SFPs by filing dated September 22, 2026, in accordance with Section 19(b)(7) of the Exchange Act and Rule 19b-7 thereunder. The Exchange's Perpetual Security Futures will settle based on the official opening price of the underlying single equity security (the "Underlying Security"), conforming to CFTC §41.25(c) and SEC §6h-1(b).

Description of the New Rules

The following is a description of the New Rules set forth in Chapter 16 of the Exchange Rulebook:

Scope of Chapter

Rule 16.01 provides that Chapter 16 applies to the "listing, trading, clearing, real-time pricing, settlement, and adjustment of any Contract listed by the Exchange that is a perpetual security future." All other Exchange Rules apply except as expressly provided in Chapter 16. In the event of any conflict or inconsistency, instructions from a federal court or federal regulatory agency shall take precedence.

Listing and Contract Specifications

Rule 16.02 sets forth the contract specifications for Perpetual Security Futures listed on the Exchange.

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[1] 15 U.S.C. §78f(g).
[2] SEC Release No. 34-106396 (Sept. 16. 2026), available at https://www.sec.gov/files/rules/other/2026/34-106396.pdf.

Contract Size. Rule 16.06(d) provides that "Each represents a contract for 1 share of the Underlying Security," with a minimum trade size of 0.01 contracts. This differs from the 100-share or 10-share contracts available elsewhere and is designed for greater accessibility and granularity for market participants.

Quotation Specification. Rule 16.02(e) provides that they are quoted in U.S. dollars per share, to two decimal places, with a minimum tick size of $0.01 per share ($0.01 per contract). The penny tick increment is consistent with cash equity markets.

Trading Schedule. Trading hours are 24 hours a day, 5 days a week. Trading is subject to halts, suspensions, and any action the Exchange takes under the Emergency Rules as set out in Rule 2.4, which permits the Board of Directors or at least two members of the Management Team to adopt temporary Emergency Rules and take emergency action, including suspending trading, liquidating positions, and modifying price or position limits, with notice to the CFTC no later than 24 hours after implementation. Daily settlement occurs during market hours, including via the Real-Time Pricing Mechanism described below.

Listing Cycle and No Tenor. Rule 16.02(b) provides that each Perpetual Security Futures has no specified dated tenor, shall remain listed and tradable until the Exchange delists or terminates such contract, shall be cash-settled based on its opening price, and will never expire.

Position Limits. Position limits are set at 2,500,000 contracts (based on one-share contracts), subject to the statutory cap under CFTC §41.25(b)(3). The general Exchange speculative position-limit framework in Rule 5.20 provides that the default position limit for fully collateralized products is 2,500,000 contracts, consistent with the limit. This 2,500,000 contract limit with a 1 share contract size is consistent with other currently listed security futures, which have a 25,000 contract limit applicable to a 100 share contract for securities with less than 20 million in estimated deliverable shares. The related Chapter 5 framework includes position accountability under Rule 5.22, reports of large positions and reportable levels under Rule 5.23, and aggregation of positions under Rule 5.20 and CFTC regulations. If a position exceeds the applicable limits solely as a result of contract adjustments pursuant to Rule 16.10 (Corporate Actions; Contract Adjustments), such excess shall not constitute a violation. The Exchange will follow the guidance set forth in Appendix A to Subpart C of Part 41 of the CFTC's regulations—Guidance on and Acceptable Practices for Position Limits and Position Accountability for Security Futures Products.

Price Limits and Trading Halts. There are no daily price limits unless otherwise specified. Trading shall be halted whenever a regulatory halt is instituted for the Underlying Security pursuant to CFTC §41.25(b)(2)(i) and SEC §6h-1(a)(3).

Block Trades. Block trades are permitted in accordance with Rule 5.21 of the Exchange Rulebook, which states that block trades are limited to Eligible Contract Participants (as defined in Section 1a(18) of the CEA) and are subject to Exchange-set minimum quantity thresholds and reporting requirements.

Reportable Levels. Reportable position levels for Perpetual Security Futures are established pursuant to CFTC §15.03 and are published by the Exchange.

Pricing Definitions

Rule 16.03 defines key pricing terms. The "Underlying Index Price" is defined as the median of the national best bid, the national best offer, and the last sale price from the Securities Information Processor (and during non-regular market hours, several different SEC-approved after hour market trading centers and inclusive of a secondary backup data vendor for SIP and non-regular market hours data). Under Rule 16.03(b), the "Real-Time Pricing Mechanism" provides for the periodic real-time cash adjustments at 00:00, 08:00, and 16:00 UTC.

Initial and Maintenance (Variation) Listing Standards

Rule 16.04 and Rule 16.05 set forth the initial and maintenance (variation) listing standards, respectively. The initial and maintenance listing standards are discussed in further detail under "Compliance with Listing Standards" below.

Trade Matching, Allocation, and Priorities

Rule 16.06 provides that trade matching, allocation, and priority of execution for Perpetual Security Futures shall be conducted in accordance with the Exchange Trading System (as defined in Exchange Rule 1.1) and Chapter 5 of the Exchange Rulebook. Crossing and pre-execution discussions shall be governed by Chapter 5. The transaction and activities prohibitions set forth in Rule 5.19 apply to all transactions, including prohibitions on manipulation, wash trading, pre-arranged or accommodation trading, front-running, spoofing, and trading on the basis of material non-public information, as well as conduct violating CFTC §180.1 and CEA §9(a)(2). The trade-cancellation and No Bust Range procedures in Rules 5.13 and 5.14, together with recordkeeping under CFTC §1.31, also apply to transactions

Clearing

Rule 16.07 provides that all Perpetual Security Futures traded on the Exchange shall be cleared through the Clearinghouse. The Exchange Rulebook Chapter 11 governs acceptance for clearing and the novation and substitution of the Exchange as central counterparty, and provides for the Guaranty Fund, close-out netting, and the default waterfall. Novation occurs in accordance with the rules of the Clearinghouse. Settlement is by cash settlement only, with no physical delivery of the Underlying Security. Daily variation margin, periodic real-time cash adjustments, and final settlement are all processed through the Clearinghouse.

Settlement Price

Rule 16.08 establishes the guidelines for daily and final settlement prices for .

> ***Daily Settlement Price.*** The daily settlement price is determined through a two-tier waterfall methodology. Tier 1 uses a [2]-min Volume-Weighted Average Price ("VWAP") of the futures contract rounded to the nearest tradable tick. Tier 2: utilizes a [2]-min Time-Weighted Average Price ("TWAP") of the midpoint of the bid/ask spread.
>
> ***Termination Price.*** The termination price is the official opening price of the Underlying Security on the trading day on which such contract is terminated, consistent with CFTC §41.25(c).[3] If the official opening price is unavailable, the termination price shall be the most recent regular-session closing price or the next available opening price. If the primary market does not open, the Exchange may suspend the final variation payment and fix a fair and orderly price. Any initially reported price is presumed accurate and final. Completed settlements will not be reopened for errors.

Real-Time Pricing Mechanism and Cash Adjustments

Rule 16.14 details the mechanism for providing real-time pricing through periodic real-time cash adjustments between long and short position holders. These adjustments are settled intraday and daily through customer collateral accounts. The Clearinghouse calculates, validates, collects, credits, and processes such adjustments at 00:00, 08:00, and 16:00 UTC. These adjustments are separate from the daily mark-to-market settlement and

[3] CFTC §41.25(c)(1) requires that the final settlement price of a cash-settled security futures product be based on the opening price of the Underlying Security. Because the Exchange's settlement is based on the official opening price, no exemption under CFTC §41.25(c)(2) or SEC §6h-1(b)(2) is required.

do not change the final settlement basis under Rule 16.08(b). Exchange publishes the applicable times and parameters for such adjustments.

Corporate Actions; Contract Adjustments

Rule 16.10 provides that Exchange and/or the Clearinghouse may adjust the terms of contracts to account for corporate actions affecting the Underlying Security, including but not limited to dividends, stock splits, reverse stock splits, spin-offs, extraordinary distributions, rights offerings, mergers, consolidations, reorganizations, recapitalizations, reclassifications, identifier changes, dissolutions, liquidations, trading halts, delistings, and pricing-source changes. Any determination by the Clearinghouse regarding such adjustments is conclusive and binding on all parties. The provisions under Rule 16.10 cover ordinary distributions, rights (including poison pill provisions), tender and exchange offers, capital-structure changes, cash mergers, reorganizations, and capital-gains distributions.

Trading Practices; Market Integrity

Rule 16.11 addresses order handling, recordkeeping, trade cancellation, block trades under Rule 16.11(c) and Rule 5.21 (including its eligibility, Exchange-set minimum quantity, and reporting requirements), position aggregation under Rule 5.20 and CFTC regulations, active trader incentives under several sections under the Rulebook, including Rule 16.11(e); cross-market surveillance; audit trail requirements; and Part 16 reporting. Exchange shall maintain written procedures for coordinated cross-market surveillance. Rule 16.11 also establishes “Prohibited Persons” restrictions, providing that the following persons may not trade : (1) directors and officers who are subject to Section 16 of the Exchange Act with respect to the issuer of the Underlying Security; and (2) persons who possess material non-public information regarding the issuer of the Underlying Security.

Listing, Halts, and Contingencies

Rule 16.12 provides that Exchange may decline to list or may delist Perpetual Security Futures if the underlying market or pricing source becomes unavailable or unreliable. Exchange may halt trading to prevent price distortion or market disruption. Exchange coordinates regulatory halts with other markets. Government actions are addressed pursuant to Rule 7.2, under which any conflicting federal government order, ruling, directive, or law takes precedence and immediately becomes part of the Exchange Rulebook.

Compliance; Enforcement

Rule 16.13 provides that all Members and Participants must comply with the Rules and Applicable Law. Surveillance is conducted under Chapter 9 of the Exchange Rulebook. Violations are subject to discipline under Chapter 9.

Margin Requirements

Margin requirements will be governed by Rule 16.16, which will have the following provisions.

Margin Rates. The Exchange is adding New Rule 16.16(a), which provides that customer margin rates shall be established at levels no lower than those prescribed by CFTC Regulation 41.45[4] or SEC Rule 242.403[5] or any successor regulations. New Rule 16.16(a) elaborates by establishing the requisite margin level for each long or short position in a perpetual security future at 15.05% of the current market value of such perpetual security futures contract, or such other requirement as may be established by the SEC and CFTC for purposes of CFTC Regulation 41.45(b)(1) and SEC Rule 242.403(b)(1).[6]

Non-Customers. The Exchange is adding Rule 16.16(b)(1), which identifies "exempted persons" and "market makers" as non-customers for purposes of the proposed rule amendments. Those non-customers are, therefore, exempt from the application of such provisions. Exempted persons are specifically identified by reference to applicable CFTC regulations and SEC rules.

Market Maker Exclusion. CFTC Regulation 41.42(c)(2)(v) and SEC Rule 242.400(c)(2)(v)[7] permit exchanges to adopt rules containing specified requirements for security futures dealers, on the basis of which the financial relations between security futures intermediaries, on the one hand, and qualifying security futures dealers, on the other, are excluded from the customer margin requirements for security futures. Rules so adopted by an exchange must meet the criteria set forth in Section 7(c)(2)(B) of the Act.[8] The Exchange proposes a market maker exclusion in Rule 16.16(b)(2) consistent with the requirements of those provisions. To qualify for the market maker exclusion, a person must be a member of the Exchange, registered as a futures commission merchant with the CFTC, and registered as a dealer with the SEC under Section 15(b)

[4] 17 CFR §41.45.
[5] 17 CFR §242.403
[6] 17 CFR §41.45(b)(1) and 17 CFR §242.403(b)(1), respectively.
[7] 17 CFR §41.42(c)(2)(v) and 17 CFR §242.400(c)(2)(v), respectively.
[8] 17 CFR §41.45(b)(2) and 17 CFR §242.403(b)(2), respectively.

of the Act.[9]

A market maker must also hold itself out as willing to buy and sell perpetual security futures for its own account on a regular or continuous basis. Under the amendments to Chapter 16 to include New Rule 16.16(b)(2), the market maker exclusion provides three alternative ways for a person to satisfy this requirement. Also under the revisions, market makers are required to maintain books and records, including trading statements and other financial records that would evidence compliance with these standards. This recordkeeping requirement includes, without limitation, such trading statements and other financial records as may be necessary specifically to verify compliance. Failure on the part of a market maker to comply with these standards may result in revocation of perpetual security futures dealer status or other sanctions provided under the Exchange Rules.

New Rule 16.16(c) is reserved.

Margin Administration. The Exchange is adding Rule 16.16(d), which identifies the types of margin that a perpetual security futures intermediary may accept from a customer. Consistent with CFTC Regulation 41.46(b) and SEC Rule 242.404(b),[10] acceptable types of margin are limited to: deposits of cash, margin securities (subject to specified restrictions), exempted securities, any other assets permitted under Regulation T of the Board of Governors of the Federal Reserve System to satisfy a performance bond deficiency in a securities margin account, and any combination of the foregoing. Rule 16.16(d) further provides that the different types of eligible margin collateral are to be valued in accordance with the applicable principles set forth in CFTC Regulations 41.46(c) and 41.46(e)[11] and SEC Rules 242.404(c) and 242.404(e).[12]

New Rule 16.16(d)(2) provides that a perpetual security futures intermediary shall not accept as margin from any customer securities that have been issued by that customer or an affiliate of that customer unless the intermediary files a petition with and receives permission from the Exchange for such purpose. Proposed Rule 16.16(d)(3) provides that all assets deposited by a customer to meet margin requirements must be and remain unencumbered by third-party claims against that customer.

New Rule 16.16(e)(1) requires a perpetual security futures intermediary to take the deduction required with respect to an underfunded account in computing its net capital under applicable CFTC regulations and SEC rules if the customer has failed to

[9] 15 U.S.C. §78o(b).
[10] 17 CFR §41.42(c)(2)(v) and 17 CFR §242.400(c)(2)(v), respectively.
[11] 17 CFR §§41.46(c) and 41.46(e).
[12] 17 CFR §§242.404(c) and §242.404(e).

comply with a required margin call within a reasonable period of time. This requirement is consistent with CFTC Regulation 41.48(a) and SEC Rule 242.406(a).[13] Further, new Rule 16.16(e)(2) requires the liquidation of an account where there is a liquidating deficit, in accordance with CFTC Regulation 41.48(b) and SEC Rule 242.406(b).[14]

Compliance with Listing Standards

Rule 16.04 provides that for a cash-settled to be eligible for initial listing, the Underlying Security must meet the initial listing standards set forth in Rule 16.04 (and must thereafter meet the maintenance listing standards in Rule 16.05 for continued listing). These initial eligibility requirements with respect to activity and issue size include all of the following criteria:

- Rule 16.04(1): The Underlying Security must be common stock.
- Rule 16.04(2): The Underlying Security must be registered under Section 12 of the Exchange Act, and the issuer must be in compliance with its reporting obligations.
- Rule 16.04(3): The Underlying Security must be listed on a national securities exchange or be an NMS security.
- Rule 16.04(4): There must be at least 7,000,000 publicly held shares of the Underlying Security outstanding (excluding shares held by persons required to report their holdings under Section 16(a) of the Exchange Act).
- Rule 16.04(5) to 16.04(7) are reserved.
- Rule 16.04(8): The Underlying Security must have at least 2,000 security holders.
- Rule 16.04(9) is reserved.
- Rule 16.04(10): Exchange will not list a Perpetual Security Futures on a Restructure Security that has not yet been issued.

Rule 16.04 also contains interpretive guidance relating to Restructure Securities and a Look-Back Test for evaluating compliance with the initial listing standards.

[13] 17 CFR §41.48(a) and 17 CFR §242.406(a), respectively.
[14] 17 CFR §41.48(b) and 17 CFR §242.406(b), respectively.

As noted, Rule 16.05 provides that, to maintain eligibility for listing, each underlying security for a listed perpetual must satisfy all of the following criteria on an ongoing basis:

- Rule 16.05(1): The Underlying Security must remain registered under Section 12 of the Exchange Act.
- Rule 16.05(2): There must be at least 6,300,000 publicly held shares of the Underlying Security outstanding.
- Rule 16.05(3): The Underlying Security must have at least 1,600 security holders.
- Rule 16.05(4): The Underlying Security must have had a minimum average daily value of transactions "of at least of $200 million for the prior calendar quarter," or "at least $1 billion over the period traded during the calendar quarter" if the security has been listed for fewer than one quarter.
- Rule 16.05(5): The Underlying Security "must have a minimum market capitalization of at least $50 billion."
- Rule 16.05(6): The closing price of the Underlying Security must not have closed below $3.00 on the trading day prior to the nearest expiration.

Rule 16.05(a) prohibits the listing of contract months for perpetual products. Rules 16.05(c) and 16.05(d) address reinstatement procedures and customer notice requirements, respectively.

The listing standards described above are consistent with the sample listing standards published in SEC Staff Legal Bulletin No. 15.[15] The listing standards are designed to assure a robust and liquid market for Perpetual Security Futures and to protect against the risk of manipulation. By requiring that the underlying securities have substantial public float, market capitalization, trading volume, and security holder base, the listing standards help to ensure that they are based on securities with deep and active cash markets.

Compliance with Core Principles

Exchange has considered the applicable DCM Core Principles under the CEA and believes that the Rules are consistent therewith. Below is a summary of the relevant Core Principles and how the Rules address each:

- **Compliance with the Rules**. Rule 16.13(a) requires Members and other Participants to comply with all Rules and Applicable Law governing security futures, and Rule

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

16.13(b)-(c) subjects Perpetual Security Futures trading to Chapter 9 market surveillance and disciplinary action. Rule 16.01 makes the Chapter 16 framework applicable to the listing, trading, clearing, real-time pricing, settlement, and adjustment of Perpetual Security Futures. Chapter 9 provides for Compliance Department market and trade-practice surveillance and investigations, contested proceedings before hearing officers and proceedings before the Disciplinary Committee, with appeals to the Board of Directors, and summary suspension where necessary to protect the market, Exchange, the public, or other Participants.

- **Contracts not readily subject to manipulation**. Rules 16.04(a)(5)-(7) require an estimated deliverable supply exceeding 20,000,000 shares, market capitalization of at least $100 billion, and an average daily value of transactions of at least $450 million over the prior six months (or $1 billion over the prior month for newer securities). Rules 16.05(a)(4)-(5) require continuing an average daily value of transactions of at least $200 million per quarter (or $1 billion for newer securities) and market capitalization of at least $50 billion. These liquid-market requirements, together with cash settlement based on the official opening price under Rule 16.08(b), are designed to reduce susceptibility to manipulation.
- **Prevention of market disruption**. Rule 16.12(a)-(c) authorizes Exchange to decline to list or delist when the underlying market or pricing source is unavailable or unreliable, to halt trading to prevent or reduce price distortions or market disruptions (with notice to the CFTC as required), and to coordinate regulatory halts with the markets on which the Underlying Security trades. Rule 16.02(m) requires a trading halt whenever a regulatory halt is instituted for the Underlying Security, and Rules 16.11(f)-(g) require written procedures for coordinated cross-market surveillance and an audit trail.
- **Position limitations or accountability**. Rule 16.02(g) establishes a 2,500,000-contract position limit, subject to the cap prescribed by CFTC Regulation §41.25(b)(3). This is consistent with Rule 5.20's general Exchange framework for fully collateralized products. Rule 16.11(d) applies the Chapter 5 aggregation requirements under Rule 5.20 and CFTC regulations, and is supplemented by the Rule 5.22 position-accountability and Rule 5.23 large-position/reportable-level requirements. Under these Rules, Exchange may request information or impose restrictions at or near position limits or accountability levels. Exchange will follow the guidance in Appendix A to Subpart C of Part 41.
- **Financial Integrity of Contracts**. Rule 16.07(a)-(c) requires each to be cleared by the Clearinghouse, provides for acceptance for clearing and novation/substitution

of Exchange as central counterparty, and requires cash settlement with no physical delivery. Initial and maintenance margin are set forth in Rule 16.16, which will govern clearing-member Initial Margin and Variation Margin. Rule 16.14(a)-(c) provides for periodic real-time cash adjustments, with related cash movements processed through the Clearinghouse.

- **Execution of Transactions**. Rule 16.06(a)-(c) requires Perpetual Security Futures orders to be matched and allocated through Exchange's Trading System and Chapter 5, and subjects crossing, pre-execution communications, and the Rule 5.19 prohibitions to Chapter 5 requirements. Rule 16.02(i) and Rule 16.11(c) permit block trades subject to Rule 5.21's Eligible Contract Participant, minimum-quantity, and reporting requirements.
- **Trade Information**. Rule 16.11(g) requires an audit trail to facilitate coordinated surveillance among Exchange and the markets on which the Underlying Security trades, and Rule 16.11(h) requires daily market-data reporting in accordance with Part 16 of the CFTC's regulations.
- **Protection of Market Participants**. Rule 16.11(i)(1)-(2) prohibits trading in Perpetual Security Futures by directors or officers subject to Section 16 of the Exchange Act with respect to the issuer of the Underlying Security and by persons possessing material non-public information regarding that issuer. Rules 16.06(a)-(c) and 16.11(a)-(c) incorporate Chapter 5 customer-protection rules governing order handling, crossing, trade cancellation, recordkeeping, and block trades together with the prohibitions in Rule 5.19 on manipulation, wash trading, accommodation or pre-arranged trading, spoofing, trading on material non-public information, and conduct violating CFTC §180.1 and CEA §9(a)(2).
- **Disciplinary Procedures**. Rule 16.13(c) provides that violations of Chapter 16 are subject to disciplinary action under Chapter 9 of the Exchange Rulebook. Chapter 9's penalties schedule includes letters of warning, fines, disgorgement, suspension, and revocation. The chapter also provides for summary suspension and public notice of disciplinary action consistent with CFTC §§9.11 and 9.13, with final disciplinary outcomes involving suspension, expulsion, discipline, or denial of access reported to the National Futures Association.
- **Dispute Resolution**. Disputes involving Perpetual Security Futures transactions are subject to Exchange's applicable arbitration and dispute-resolution rules, as incorporated by Rule 16.01. This includes the provisions of Exchange Rulebook Chapter 10, which provides for binding arbitration in Cook County, Illinois for member-member, Exchange-member, and clearing-member/customer disputes.

The member-member and clearing-member/customer provisions specify arbitration before the National Futures Association under its applicable arbitration rules.

- **Daily Publication of Trading Information**. Rule 16.02(h) requires Exchange to publish reportable position levels on the Exchange website or Trading System, Rule 16.02(k) requires the specifications for each Perpetual Security Futures to be published there, and Rule 16.14(d) requires publication of the Real-Time Cash Adjustment Times, the Real-Time Pricing Mechanism, reference prices, and applicable parameters. Exchange Rulebook Chapter 11's Public Information provisions also require the Clearinghouse to make public the terms and conditions of each Contract, all fees charged by the Clearinghouse, its margin-setting methodology, the size and composition of the Guaranty Fund, and settlement prices, volume, and open interest for each Contract.
- **Availability of General Information**. Chapter 16 and applicable product specifications are publicly available on the Exchange website, with Rule 16.02(k) requiring the specifications for each Perpetual Security Futures to be published on the Exchange website or Trading System.
- **Benefits to Market Participants**. Perpetual single-stock futures are continuous derivative contracts linked to individual equities that do not expire. The New Rules are anticipated to provide the following benefits to market participants:
    - *Continuous Exposure*. Perpetual Security Futures provide continuous exposure to the underlying equity without the need to roll contracts forward. This is intended to eliminate the transaction friction and timing mismatch associated with dated futures contracts, allowing market participants to maintain positions more efficiently.
    - *Extended Trading Hours*. The Exchange's 24/5 trading capabilities extend beyond standard exchange hours, enabling market participants to react instantly to late-breaking corporate earnings announcements, macroeconomic news, or other market-moving events that occur outside regular trading sessions.
    - *Capital Efficiency*. Leveraged margin requirements reduce the upfront capital needed to obtain equity exposure compared to purchasing spot stocks outright, freeing remaining capital for alternative yield-generating strategies or position scaling.

- *Simplified Risk Structure*. Unlike options contracts, Perpetual Security Futures do not involve time decay (theta) or volatility crush complexity, providing direct linear tracking of the underlying equity's price action and simplifying risk management for hedging purposes.

Potential Anticompetitive Effects. Exchange does not anticipate that the New Rules will have any anticompetitive effects on market participants or others. The Perpetual Security Futures contracts will be available to all eligible market participants on equal terms, and the New Rules do not create barriers to entry, preferential treatment, or other conditions that would restrict competition. The contracts may promote competition by providing an alternative means of obtaining leveraged equity exposure alongside existing products such as traditional single-stock futures, equity options, and swap contracts.

Fit Within Self-Regulatory Framework. The New Rules are fully integrated into Exchange's existing self-regulatory framework. As described above, Chapter 16 incorporates Exchange's existing customer protection rules, position limits, reportable position requirements, disciplinary procedures, and dispute resolution mechanisms. Clearing is subject to the same risk management, margin methodology, and Guaranty Fund protections that apply to other Contracts cleared by the Clearinghouse. Market surveillance will be conducted in accordance with Exchange's existing compliance and enforcement procedures, ensuring that the new product is subject to the same regulatory oversight as Exchange's existing product offerings.

Certification Regarding Posting

Exchange certifies that upon submission to the CFTC, Exchange will post a notice of its request for CFTC approval of the New Rules and a copy of the submission, concurrent with the filing of a submission with the CFTC, on the Exchange's website.

No Opposing Views

Exchange has neither received any opposing views or statements expressed regarding the New Rules by Exchange's governing board or committee members, Clearing Members of the Clearinghouse or market participants, which were not incorporated into the New Rule.

No Required Amendments to CFTC Regulations

Exchange does not anticipate that the CFTC may need to amend sections of the CFTC's regulations in order for the CFTC to approve Exchange's New Rules.

Pursuant to Section 5c(c) of the Act and CFTC §§40.6(a) and 41.24(b), Exchange hereby certifies that the New Rules comply with the Act and the CFTC's regulations thereunder. Exchange further certifies its compliance with the applicable requirements of CFTC §41.22[16] and the requirements of CFTC Regulation §41.25. Exchange certifies that a copy of this submission was posted on its website concurrently with this filing. No substantive opposing views were expressed to Exchange with respect to the New Rules.

Should you have any questions regarding the above, please do not hesitate to contact me by email at steve@og.com.

Sincerely,

DocuSigned by:

Stephen Humenik

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Stephen Humenik
Chairman, OG.com Markets

Attachments: Exhibit A - Exchange Rulebook Chapter 16 ("Perpetual Security Futures Products") (blackline format)

[16] CFTC §41.22(b), (c), (e), and (j) are not applicable to Exchange's Perpetual Security Futures.

EXHIBIT A

CHAPTER 16
PERPETUAL SECURITY FUTURES PRODUCTS

RULE 16.01 SCOPE OF CHAPTER

This Chapter applies to the listing, trading, clearing, pricing, settlement, and adjustment of any Contract listed by CDNA that is a perpetual security future. Except as expressly provided in this Chapter, all other Rules of CDNA apply to perpetual security futures.

Any change in instructions, order, ruling, directive, or law issued or enacted by any court or agency of the Federal Government of the United States that conflicts with the Rules contained in this Chapter shall take precedence, immediately become a part of these Rules, and be effective for all currently traded and newly listed security futures.

RULE 16.02 LISTING AND CONTRACT SPECIFICATIONS FOR SINGLE EQUITY SECURITIES

(a) Each security future based on a single equity security (each, a "Single Stock Future" or an "SSF") shall be based on an underlying single equity security listed in Schedule A of this Chapter (the "Underlying Security"), which satisfies the requirements set forth in CFTC Rule § 41.21(a) and the initial and maintenance listing standards in Rules 16.04 and 16.05, and as may be determined from time to time by the Exchange.

(b) Each SSF shall have no specified dated tenor, shall remain listed and tradable until otherwise terminated pursuant to this Rulebook, shall be cash-settled based on its opening price, and will not expire.

(c) The hours for SSF trading are specified in Rule 5.18. Notwithstanding the foregoing, SSF trading occurs 24 hours a day, 5 days a week. SSFs will not be traded during holidays and other periods when the underlying markets for the securities are not open, but trading during the market close is permitted based on available liquidity in the order book SSF trading is subject to any applicable halt, suspension, Emergency Rule, or product-specific restriction. SSFs settle on a daily basis during market hours, and settlement), is still affected during the market close.

(d) Each SSF represents a contract for 1 share of the Underlying Security. The minimum trade size is 0.01 contract, as specified in the applicable product specifications.

(e) Prices shall be quoted in U.S. dollars per share to two decimal places. The minimum price fluctuation is $0.01 per share (equal to $0.01 per contract for a one-share contract).

(f) SSFs are not subject to daily price limits unless otherwise specified by CDNA or by notice.

(g) Position limits for each SSF shall be 2,500,000 contracts, subject in all cases to the cap prescribed by CFTC Regulation §41.25(b)(3). If a position exceeds position limits as a result of an adjustment to an SSF or the Underlying Security under Rule 16.10, such position shall not constitute a position-limit violation.

(h) Reportable position levels for SSFs shall be in accordance with CFTC Rule 16.03, specified by CDNA, and published on the CDNA website or Trading System.

(i) CDNA may permit block trades in specified SSFs and shall establish minimum quantity thresholds, reporting timeframes, and any additional procedures in accordance with Rule 5.21 and as published on the CDNA website or Trading System.

(j) The specifications for a particular SSF shall be as set forth in the filing made with respect thereto pursuant to CFTC Regulation 41.23 and published on the CDNA website or Trading System.

(k) CDNA may act in accordance with the Emergency Rules to address market emergencies, the unavailability or inaccuracy of opening/closing price, or any other circumstance that, in CDNA's judgment, necessitates action to maintain a fair and orderly market or to achieve fairness to holders of open SSF positions.

(l) Trading of an SSF shall be halted at all times when a regulatory halt has been instituted for the Underlying Security.

RULE 16.03 PRICING DEFINITIONS

(a) "Underlying Index Price" means the median of the national best bid, national best offer, and last sale price published by the securities information processor ("SIP") for the Underlying Security (and during non-regular market hours, several different SEC-approved after hour market trading centers and inclusive of a secondary backup data vendor for SIP and non-regular market hours data).

RULE 16.04 INITIAL LISTING STANDARDS

(a) Initial listing standards for an SSF.

For a cash-settled SSF to be eligible for initial listing, the Underlying Security must meet each of the following requirements:

(1) It must be a common stock.

(2) It must be registered under Section 12 of the Securities Exchange Act of 1934 (as amended from time to time, 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 a "national market system" security as set forth in Rule 11Aa3-1 under the Exchange Act ("NMS security").

(4) There must be at least seven million shares or receipts evidencing the Underlying Security 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 REQUIREMENT (IV) AS APPLIED TO RESTRUCTURE SECURITIES

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, it 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) [Reserved]

(6) [Reserved]

(7) [Reserved]

(8) There must be at least 2,000 security holders.

INTERPRETATION OF REQUIREMENT (VIII) AS APPLIED TO RESTRUCTURE SECURITIES

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: (i) at least 40 million shares of the Restructure Security will be issued and outstanding; or (ii) 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) [Reserved]

(10) The Exchange will not list for trading any perpetual SSF 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 securities.

RULE 16.05 MAINTENANCE LISTING STANDARDS

(a) Maintenance standards for an SSF.

Absent exceptional circumstances, the Exchange may not open for trading an SSF that is cash-settled with a contract month since the product is perpetual and may prohibit any opening purchase transactions in the SSF already trading to the extent it deems such action necessary or appropriate, unless the Underlying Security meets each of the following maintenance requirements:

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

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

(6) The market price per share or receipt of the Underlying Security has not closed below $3.00 on the previous trading day to the expiration day of the nearest expiring SSF contract on the Underlying Security. 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 REQUIREMENT (VI) AS APPLIED TO RESTRUCTURE SECURITIES

If a Restructure Security is approved for an SSF trading under the initial listing standards in Rule 16.04, the average daily trading volume history of the Original Equity Security (as defined in Rule 16.04) prior to the commencement of trading in the Restructure Security (as defined in Rule 16.04), including "when-issued" trading, may be taken into account in determining whether this requirement is satisfied.

(b) The Exchange shall not open trading in an SSF with a new contract month unless:

(1) The issuer of the Underlying Security satisfies applicable Exchange Act reporting requirements, or corrects any failure within 30 days after the date the report was due to be filed; and

(2) The Underlying Security is listed on a national securities exchange or is principally traded through the facilities of a national securities association and is designated as an NMS security.

(3) The Underlying Security is registered under Section 12 of the Exchange Act, and its issuer is in compliance with applicable requirements of the Exchange Act.

(c) If prior to the withdrawal from trading of an SSF 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 open for trading new contract months in such SSF and may lift any restriction on opening purchase transactions.

(d) 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 Exchange Member shall, prior to effecting any transaction in SSFs 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 SSFs as it determines is necessary and appropriate.

RULE 16.06 TRADE MATCHING, ALLOCATION, AND PRIORITIES

(a) SSF orders shall be matched and allocated in accordance with CDNA's Trading System functionalities and Chapter 5. CDNA may specify the base allocation method and any overlays or participation rights.

(b) Crossing transactions and pre-execution communications for SSFs must comply with CDNA's order handling, exposure, and crossing requirements under Chapter 5, including any minimum exposure time, and any additional procedures or time periods set forth by CDNA by notice.

(c) The prohibitions in Rule 5.19 apply to SSFs. CDNA may prescribe additional prohibitions or procedures applicable to SSFs to preserve market integrity.

RULE 16.07 CLEARING

(a) Each SSF shall be cleared by the Clearinghouse.

(b) Upon acceptance for clearing by the Clearinghouse, CDNA's and Members' rights and obligations shall be as provided under the applicable clearing arrangements, and novation shall occur in accordance with the rules of the Clearinghouse.

(c) Delivery shall be by cash settlement in accordance with the rules and procedures of the Clearinghouse. No physical delivery of the Underlying Security shall occur. Daily variation, and all other cash settlement obligations shall be effected through the facilities of the Clearinghouse during the life of the SSF and, for final settlement, on the Final Settlement Day for the expiring SSF.

RULE 16.08 DAILY SETTLEMENT PRICE AND TERMINATION PRICE

(a) The daily settlement price of an SSF shall be determined based upon the following two-tier waterfall approach:

(1) Tier 1: [2]-min VWAP of futures contract rounded to the nearest tradable tick

(2) Tier 2: [2]-min TWAP of futures contract midpoint of the Bid/Ask rounded to the nearest tradable tick

(b) Termination price shall be based on the official opening price of the Underlying Security on the Termination Date. If such an opening price is unavailable, the Clearinghouse shall determine the final settlement price using the most recent regular session price or the next available opening price, consistent with CFTC Rule 41.25(c).

(c) If the primary market for the Underlying Security does not open or remain open for trading, or if the price used to determine the termination price is unreported or unavailable, CDNA may suspend the time for making the final variation payment and may fix the final settlement price based on such factors as fairness to buyers and sellers, the maintenance of a fair and orderly market, and consistency of practice. In doing so, CDNA may base the final settlement price on either the prior trading day's closing price, the next available opening price, an average of prices during an appropriate period, or any other reasonable method. CDNA's determinations under this paragraph are conclusive and binding.

(d) Unless CDNA or the Clearinghouse directs otherwise, the price of an Underlying Security as initially reported by the relevant reporting authority shall be conclusively presumed accurate and shall be deemed final for the purpose of determining settlement prices and the termination price, even if such price is subsequently revised or determined to have been inaccurate. In no event will a completed settlement be reopened due to errors in officially reported prices.

RULE 16.09 [Reserved]

RULE 16.10 CORPORATE ACTIONS; CONTRACT ADJUSTMENTS

(a) Throughout the full tenor of an SSF, CDNA may adjust or settle SSFs in accordance with the Clearinghouse based on its judgment as to what is appropriate for the protection of investors and the public interest, taking into account such factors as fairness to the buyers and sellers of SSFs on the Underlying Security, the maintenance of a fair and orderly market in SSFs on the Underlying Security, consistency of interpretation and practice, and the coordination with other clearing agencies of the clearance and settlement of transactions in the Underlying Security. The Clearinghouse may, in addition to determining adjustments on a case-by-case basis, adopt interpretations having general application to specified types of events. Every determination by the Clearinghouse pursuant to this Rule shall be within its discretion and shall be conclusive and binding on all investors and not subject to review.

(b) Adjustments to SSFs to account for corporate actions or other events affecting the Underlying Security (including, without limitation, dividends, stock splits, reverse splits, spin-offs, special distributions, rights offerings, mergers, consolidations, reorganizations, recapitalizations, reclassifications, ticker or identifier changes, dissolutions, liquidations trading halts, delistings, or changes in applicable pricing source) shall be made by the Clearinghouse in accordance with its rules and procedures and the standards set out in this Rule. Such adjustments may include changes to the contract multiplier, unit of trading, settlement price, Underlying Security, or other terms.

(c) It shall be the general rule that there will be no adjustments to reflect ordinary cash dividends or distributions or ordinary stock dividends or distributions (collectively, "ordinary distributions") by the issuer of the Underlying Security.

(d) Subject to paragraph (c), it shall be the general rule that in the case of a stock dividend, stock distribution or stock split whereby one or more whole numbers of shares of the Underlying Security are issued with respect to each outstanding share, each SSF contract covering that underlying security shall be increased by the same number of additional SSF contracts as the number of shares issued with respect to each share of the underlying security, the last settlement price established immediately before such event shall be proportionately reduced, and the unit of trading shall remain the same.

(e) Subject to paragraph (c), it shall be the general rule that in the case of a stock dividend, stock distribution or stock split whereby other than a whole number of shares of the Underlying Security is issued in respect of each outstanding share, the last settlement price established immediately before such event shall be proportionately reduced, and conversely, in the case of a reverse stock split or combination of shares, the last settlement price established immediately before such event shall be proportionately increased. Whenever the settlement price with respect to a stock future has been reduced or increased in accordance with this paragraph, the unit of trading shall be proportionately increased or reduced, as the case may be.

(f) It shall be the general rule that in the case of any distribution made with respect to shares of an underlying security, other than ordinary distributions and other than distributions for which adjustments are provided in paragraphs (d) or (e) of this Rule, if the Clearinghouse determines that an adjustment to the terms of Security Futures Products on such Underlying Security is appropriate, (i) the last settlement price established immediately before such event shall be reduced by the value per share of the distributed property, in which event the unit of trading shall not be adjusted, or alternatively, (ii) the unit of trading in effect immediately before such event shall be adjusted so as to include the amount of property distributed with respect to the number of shares of the Underlying Security represented by the unit of trading in effect prior to such adjustment, in which event the settlement price shall not be adjusted. The Clearinghouse shall, with respect to adjustments under this paragraph (f) or any other paragraph of this Rule 16.10, have the authority to determine the value of distributed property.

(g) In the case of any event for which adjustment is not provided in any of the foregoing paragraphs of this Rule, the Clearing House may make such adjustments, if any, with respect to the SSF contracts affected by such event as the Clearinghouse determines.

(h) Adjustments pursuant to this Rule shall as a general rule become effective in respect of outstanding SSF contracts on the "ex-date" established by the primary market for the Underlying Security.

(i) It shall be the general rule that (i) all adjustments of the settlement price of an outstanding stock future shall be rounded to the nearest adjustment increment, (ii) when an adjustment causes a settlement price to be equidistant between two adjustment increments, the settlement price shall be rounded up to the next highest adjustment increment, (iii) all adjustments of the unit of trading shall be rounded down to eliminate any fraction, and (iv) if the unit of trading is rounded down to eliminate a fraction, the adjusted settlement price shall be further adjusted, to the nearest adjustment increment, to reflect any diminution in the value of the stock future resulting from the elimination of the fraction.

(j) Notwithstanding the general rules set forth in paragraphs (c) through (i) of this Rule or which may be set forth as interpretations to this Rule, the Clearinghouse shall have the power to make exceptions in those cases or groups of cases in which, in applying the standards set forth in paragraph (a) of this Rule, the Clearinghouse shall determine such exceptions to be appropriate. However, the general rules shall be applied unless the Clearinghouse affirmatively determines to make an exception in a particular case or group of cases.

(k) CDNA will publish notice of adjustments when advised by the Clearinghouse or as otherwise appropriate, including the affected SSF, the effective date and the adjusted terms.

INTERPRETATION TO RULE 16.10 - CORPORATE ACTIONS; CONTRACT ADJUSTMENTS

(a) Cash dividends or distributions by the issuer of the underlying security that the Clearinghouse believes to have been declared pursuant to a policy or practice of paying such dividends or distributions on a quarterly or other regular basis, will, as a general rule, be deemed to be "ordinary distributions" within the meaning of paragraph (c) of this Rule. The Clearinghouse will determine on a case-by-case basis whether other dividends or distributions are "ordinary distributions" or whether they are dividends or distributions for which an adjustment should be made. Stock dividends or distributions by the issuer of the underlying security that the Clearinghouse believes to have been declared pursuant to a policy or practice of paying such dividends or distributions on a quarterly basis will, as a general rule, be deemed to be "ordinary distributions" within the meaning of paragraph (c) of this Rule. The Clearinghouse will ordinarily adjust for other stock dividends and distributions. Where the Clearinghouse determines to adjust for a cash or stock dividend or distribution, the adjustment shall be made in accordance with the applicable provisions of this Rule.

(b) Adjustments will ordinarily be made for rights distributions, except as provided below in the case of certain "poison pill" rights. When an adjustment is made for a rights distribution, the unit of trading in effect immediately prior to the distribution will ordinarily be adjusted to include the number of rights distributed with respect to the number of shares or other units of the underlying security comprising the unit of trading. If, however, the Clearinghouse determines that the rights are due to expire before the time they could be exercised upon delivery under the futures contract, then delivery of the rights will not be required. Instead, the Clearinghouse will ordinarily adjust the last settlement price established before the rights expire to reflect the value, if any, of the rights as determined by the Clearinghouse in its sole discretion. Adjustments will not ordinarily be made to reflect the issuance of so-called "poison pill" rights that are not immediately exercisable, trade as a unit or automatically with the Underlying Security, and may be redeemed by the issuer. In the event such rights become exercisable, being able to trade separately from the Underlying Security, or are redeemed, the Clearinghouse will determine whether an adjustment is appropriate.

(c) Adjustments will not be made to reflect a tender offer or exchange offer to the holders of the Underlying Security, whether such offer is made by the issuer of the Underlying Security or by a third person or whether the offer is for cash, securities or other property. This policy will apply without regard to whether the price of the Underlying Security may be favorably or adversely affected by the offer or whether the offer may be deemed to be "coercive." Outstanding SSFs ordinarily will be adjusted to reflect a merger, consolidation or similar event that becomes effective following the completion of a tender offer or exchange offer.

(d) Adjustments will not be made to reflect changes in the capital structure of an issuer where all of the underlying securities outstanding in the hands of the public (other than dissenters' shares) are not changed into another security, cash or other property. For example, adjustments will not be made merely to reflect the issuance (except as a distribution on an Underlying Security) of new or additional debt, stock, or options, warrants or other securities convertible into or exercisable for the Underlying Security, the refinancing of the issuer's outstanding debt, the repurchase by the issuer of less than all of the underlying securities outstanding, or the sale by the issuer of significant capital assets.

(e) When an Underlying Security is converted into a right to receive a fixed amount of cash, such as in a merger, outstanding SSFs will be adjusted to replace such underlying security with such fixed amount of cash as the underlying interest, and the unit of trading shall remain unchanged.

(f) In the case of a corporate reorganization, reincorporation or similar occurrence by the issuer of an Underlying Security which results in an automatic share-for-share exchange of shares in the issuer for shares in the resulting company, SSFs on the Underlying Security will ordinarily be adjusted by replacing such Underlying Security with a like number of units of the shares of the resulting company. Because the securities are generally exchanged only on the books of the issuer and the resulting company, and are not generally exchanged physically, deliverable shares will ordinarily include certificates that are denominated on their face as shares in the original issuer, but which, as a result of the corporate transaction, represent shares in the resulting company.

(f) When an Underlying Security is converted in whole or in part into a debt security and/or a preferred stock, as in a merger, and interest or dividends on such debt security or preferred stock are payable in the form of additional units thereof, outstanding SSFs that have been adjusted by replacing the original Underlying Security with the security into which the original Underlying Security has been converted shall be further adjusted, effective as of the ex-date for each payment of interest or dividends thereon, by increasing the unit of trading by the number of units of the new Underlying Security distributed as interest or dividends thereon.

(g) Notwithstanding this Interpretation of Rule 16.10, distributions of short-term and long-term capital gains in respect of stock fund shares by the issuer thereof shall not, as a general rule, be deemed to be "ordinary dividends or distributions" within the meaning of paragraph (c) of Rule 16.10, and adjustments of the terms of SSFs on such stock fund shares for such distributions shall be made in accordance with applicable provisions of Rule 16.10, unless the Clearinghouse determines, on a case-by-case basis, not to adjust for such a distribution.

(h) In the event that a new series of SSFs is introduced with a settlement price expressed in decimals and there is an outstanding series of SSFs on the same Underlying Security with a settlement price expressed as a fraction that could be expressed in whole cents, the Clearinghouse may restate the settlement price of the outstanding series as its equivalent decimal price. If the settlement price for the outstanding series is a fraction that cannot be expressed in whole cents, the settlement price may not be restated as a decimal.

RULE 16.11 TRADING PRACTICES; MARKET INTEGRITY

(a) Order entry, modification, cancellation, priority, time-stamping, and recordkeeping for SSF shall comply with Chapter 5 and CFTC Regulation §1.31. Orders for SSFs are Acceptable Orders as defined in Rule 5.10, subject to any additional parameters or order types that CDNA may approve for SSF.

(b) The trade cancellation policies in Rules 5.13 and 5.14 apply to SSFs. CDNA may establish product-specific error thresholds or no-bust ranges for SSFs. CDNA will consider factors including contemporaneous prices, markets with other expiration dates or dated tenor, and prices of related instruments when evaluating potential trading errors.

(c) Block trades in SSFs must comply with Rule 5.21, product-specific block thresholds, participant eligibility requirements, and reporting timeframes. CDNA may prescribe additional procedures, including restrictions on trading while in possession of material non-public information related to a pending block trade.

(d) Positions shall be aggregated in accordance with Rule 5.20 and Applicable Law. CDNA may require information from any Person holding positions at or near position limits or accountability levels and may impose restrictions as appropriate.

(e) At its discretion, CDNA may offer programs that provide incentives to Participants, Clearing Members, and Customers willing to actively trade security futures. These programs may offer incentives, as determined by CDNA. The criteria to participate in any incentive program shall be impartial, transparent, and applied in a non-discriminatory manner.

(f) CDNA shall maintain and implement written procedures for coordinated cross-market surveillance to detect, investigate, and deter manipulation, insider trading, and other prohibited conduct in connection with trading in any SSF listed on the Exchange. Such procedures shall provide for ongoing coordination and information sharing among: (a) the Exchange; and (b) each national securities exchange or national securities association on which any Underlying Security is traded.

(g) CDNA shall establish an audit trail to facilitate coordinated surveillance among the Exchange and any market on which any Underlying Security is traded.

(h) CDNA shall comply with Part 16 of CFTC Regulations requiring the daily reporting of market data.

(i) The following persons are prohibited from trading in any SSF on an Underlying Security (each, a "**Prohibited Person**"): (1) any person who is a director or officer, subject to Section 16 of the Securities Exchange Act of 1934, as amended, of the issuer of the Underlying Security; and (2) any person who is in possession of material non-public information regarding the issuer of the Underlying Security.

RULE 16.12 LISTING, HALTS, AND CONTINGENCIES

(a) CDNA may refrain from listing or may delist any SSF due to the unavailability or unreliability of the underlying market or pricing source, or for any other reason CDNA determines may be detrimental to the listing, trading, or orderly settlement of the SSF.

(b) CDNA may halt trading in SSFs to prevent or reduce the risk of price distortions or market disruptions, including where the underlying market is halted or subject to a limit state, or where CDNA determines that continuation of trading is not in the best interests of the market. CDNA will post a notice of the halt and any related settlement adjustments within a reasonable time and notify the Commission as required.

(c) CDNA will coordinate regulatory trading halts between the Exchange and the markets on which any Underlying Security is traded.

(d) Government actions are addressed in Rule 7.2. CDNA may adjust terms or defer listing, trading, or settlement as necessary to address such actions.

RULE 16.13 COMPLIANCE; ENFORCEMENT

(a) Each Member with access to the Trading System to trade SSFs must be registered with the CFTC as an FCM and registered with the Securities and Exchange Commission as either as a broker-dealer under Section15(b)(1) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or as a notice-registered broker-dealer under Section 15(b)(11) of the Exchange Act, as applicable.

(b) Trading in SSFs is subject to CDNA's market surveillance under Chapter 9. CDNA may request information and documentation regarding SSF activity and positions, including related cash or derivatives positions, and may coordinate with the Clearinghouse and other self-regulatory organizations.

(c) Violations of this Chapter are subject to disciplinary action under Chapter 9.

RULE 16.14 FUNDING RATE

(a) The Funding Rate for perpetual SSF shall be a periodic cash adjustment exchanged directly between Customers of long and short open positions at each Funding Time (as defined below). When the Funding Rate (as defined below) is positive, Customers with long positions shall pay Customers with short positions; when the Funding Rate is negative, Customers with short positions shall pay Customers with long positions.

(b) For the purposes of this Chapter 16, "Funding Times" shall be 00:00, 08:00, and 16:00 UTC, or such other times as CDNA may specify by notice.

(c) The Exchange has set the Funding Rate shall be calculated as follows:

Funding Rate = *clamp* ((Asset Multiplier × Premium + *clamp* (Interest – Premium, –0.05%, +0.05%)), Floor, Cap)

where:

"*Premium*" means the time-weighted average premium of the SSF over its Underlying Index Price and is the primary driver of the Funding Rate;

"*Interest*" means the interest component, which is kept close to the Premium by the inner clamp function (±0.05%);

"*N*" means the funding interval in hours (1, 2, 4, or 8), which scales the Funding Rate to the applicable interval by dividing by 8/N;

"*Asset Multiplier*," "*Cap*," and "*Floor*" are the parameters published per contract in the applicable product specifications; the outer clamp function limits the Funding Rate within the range established by the Floor and Cap.

(d) Perpetual SSF shall be cash settled in accordance with the terms of this Chapter 16 in U.S. dollars.

(e) The Exchange shall list only one perpetual SSF per Underlying Security at any given time. The perpetual SSF shall have no expiration date and no final settlement date. The Exchange shall maintain each perpetual SSF listing continuously unless and until the Exchange suspends or delists such contract in accordance with these Rules.

(f) Margin calculations for perpetual SSF shall follow the Exchange's two-tier approach as described in Rule 16.08. Margin shall be at least 15.05% of the position value, or such other amount as specified in the applicable product specifications or as required by CFTC Regulations 41.43 through 41.48.

(g) The Underlying Index Price for each perpetual SSF shall be an independent reference price for the Underlying Security. The Underlying Index Price is the official U.S. market price of the Underlying Security – the consolidated SIP National Best Bid and Offer (NBBO) from its primary listing exchange. If the primary feed is unavailable, the Exchange shall default to internal pricing in accordance with Rule 16.03.

(h) The Mark Price is used to value open positions and to calculate margin. The Mark Price is the median (middle value) of the following three inputs:

Mark Price = *Median* (Last Traded Price, (Best Bid + Best Ask)/2, Underlying Index Price + 30-second EMA Basis)

where:

"*Last Traded Price*" means the last price at which the perpetual SSF contract was traded;

"*Bid/Offer Mid-Point*" means the midpoint of the current best bid and best ask;

"*Index + Basis*" means the Underlying Index Price adjusted for the recent perpetual SSF-versus-index gap using a 30-second exponential moving average (EMA) basis.

RULE 16.15 TERMINATION

(a) The procedures for termination of each SSF shall be set out in the final contract specifications.

16.16. MARGIN REQUIREMENTS

(a) Margin Rates for Perpetual Security Futures

Initial and variation margin rates used in determining Exchange margin requirements applied to Perpetual Security Futures on behalf of Customers, whether effected on the Exchange or on a Marketplace apart from Exchange but cleared by the Clearinghouse per Chapter 16, and held in a futures account, shall be established at levels no lower than those prescribed by CFTC Regulation Section 41.45; and, SEC Rule 242.403, including any successor Regulations. The Exchange shall establish initial and maintenance margin requirements applicable to Perpetual Security Futures and held in a futures account, provided that the margin requirement for any long or short position held by a clearing member on behalf of a Customer shall not be less than 15.05% of the current market value of the relevant Contract; or, such other requirement as may be established by the CFTC and SEC for purposes of CFTC Regulation 41.45(b)(1) and SEC Rule 242.403(b)(1) except as provided below.

(b) Market Makers

(1) As used in this Rule, the term "Customer" does not include (a) an

"exempted person" as defined in CFTC Regulation 41.43(a)(9) and SEC Rule 242.401(a)(9); or (b) Market Makers as defined below. A Person shall be a "Market Maker" for purposes of this Rule 16.16, and shall be excluded from the requirements set forth in CFTC Regulations 41.42 through 41.49; and, SEC Rules 242.400 through 242.406 in accordance with CFTC Regulation 41.42(c)(2)(v) and SEC Rule 242.400(c)(2)(v), with respect to all trading in Perpetual Security Futures for its own account, if such Person is an Exchange Member that is registered with the Exchange as a "Security Futures Dealer."

(2) Each Market Maker shall: (a) be a member of the Exchange and be registered as a dealer with the SEC under Section 15(b) of the Exchange Act; (b) maintain records sufficient to prove compliance with the requirements set forth in this Rule and CFTC Regulation 41.42(c)(2)(v) and SEC Rule 242.400(c)(2)(v), including without limitation, trading account statements and other financial records sufficient to detail activity and verify conformance with the standards set forth herein; and (c) hold itself out as being willing to buy and sell Perpetual Security Futures for its own account on a regular or continuous basis. A Market Maker satisfies condition (c) above if, at a minimum, any of the following three requirements are fulfilled:

(i) The Market Maker:

(A) Provides continuous two-sided quotations throughout the trading day for all Perpetual Security Futures Contracts representing a meaningful proportion of the total trading volume of Perpetual Security Futures Contracts on the Exchange, subject to relaxation during unusual market conditions as determined by the Exchange (such as a fast market in either a Perpetual Security Futures Contract or a security underlying a Perpetual Security Futures Contract) at which times the Market Maker must use its best efforts to quote continuously and competitively; and

(B) When providing quotations, quotes with a maximum bid/ask spread no more than the greater of $0.20 or 150% of the bid/ask spread in the primary market for the security underlying each Perpetual Security Futures Contract.

(ii) The Market Maker:

(A) Responds to at least 75% of the requests for quotation for all delivery months of Perpetual Security Futures Contracts representing a meaningful proportion of the total trading volume of Perpetual Security Futures Contracts on the Exchange, subject to relaxation during unusual market conditions as determined by the Exchange (such as a fast market in either a Perpetual Security Futures Contract or a security underlying a Perpetual Security Futures Contract) at which times the Market Maker must use its best efforts to quote competitively; and

(B) When responding to requests for quotation, quotes within five seconds with a maximum bid/ask spread no more than the greater of $0.20 or 150% of the bid/ask spread in the primary market for the security underlying each Perpetual Security Futures Contract.

(iii) The Market Maker:

(A) Is assigned to a group of Perpetual Security Futures Contracts listed on the Exchange that is either unlimited in nature ("Unlimited Assignment"); or, is assigned to no more than 20% of the Perpetual Security Futures Contracts listed on the Exchange ("Limited Assignment");

(B) At least 75% of the Market Maker's total trading activity in Exchange Perpetual Security Futures Contracts is in its assigned Perpetual Security Futures Contracts, measured on a quarterly basis;

(C) During at least 50% of the trading day the Market Maker has bids or offers in the market that are at or near the best market, except in unusual market conditions as determined by the Exchange (such as a fast market in either a Perpetual Security Futures Contract or a security underlying a Perpetual Security Futures Contract), with respect to at least 25% (in the case of an Unlimited Assignment) or at least one (in the case of a Limited Assignment) of its assigned Perpetual Security Futures Contracts; and

(D) The requirements in (B) and (C) above are satisfied on: (a) at least 90% of the trading days in each calendar quarter by Market Makers who have undertaken an Unlimited Assignment; or (b) at least 80% of the trading days in each calendar quarter by Market Makers who have undertaken a Limited Assignment; or (c) on at least 80% of the trading days in each calendar quarter by Market Makers who have undertaken either an Unlimited Assignment or Limited Assignment but where the Exchange is listing four (4) or fewer Perpetual Security Futures Contracts.

(3) For purposes of clauses (1) and (2) above, beginning on the 181st calendar day after the commencement of trading of Perpetual Security Futures Contracts on the Exchange, a “meaningful proportion of the total trading volume of Perpetual Security Futures Contracts on the Exchange” shall mean a minimum of 20% of such trading volume. Any Market Maker that fails to comply with the applicable Rules of the Exchange, CFTC Regulations 41.41 through 41.49 and SEC Rules 242.400 through 242.406 shall be subject to disciplinary action in accordance with Chapter 4. Appropriate sanctions in the case of any such failure shall include, without limitation, a revocation of such Market Maker’s registration as a Security Futures Dealer.

(4) Market Makers shall maintain books and records, including trading statements and other financial records that would evidence compliance with these standards. Failure to comply with these standards may result in revocation of Security Futures Dealer status or other sanctions provided under the Exchange Rules.

(c) [Reserved.]

(d) Margin Administration

(1) Clearing Members may accept from their Customers as margin for Perpetual Security Futures held in a futures account, deposits of cash, margin securities (subject to the limitations set forth in the following sentence), exempted securities, any other assets permitted under Regulation T of the Board of Governors of the Federal Reserve System (as in effect from time to time) to satisfy a performance bond deficiency in a securities margin account, and any combination of the foregoing, each as valued in accordance with CFTC Regulations 41.46(c) and 41.46(e); and, SEC Rules 242.404(c) and 242.404(e). Shares of a money market mutual fund that meet the requirements of CFTC Regulation 1.25 may be accepted as a margin deposit from a Customer for purposes of this Rule.

(2) A Clearing Member shall not accept as margin from any Customer securities that have been issued by such Customer or an Affiliate of such Customer unless such Clearing Member files a petition with and receives permission from the Exchange for such purpose.

(3) All assets deposited by a Customer to meet margin requirements must

be and remain unencumbered by third party claims against the depositing Customer.

(e) Liquidation of Accounts

(10 If a Customer fails to comply with a margin call within a reasonable period of time (the Clearing Member may deem one hour to be a reasonable period of time), the relevant Clearing Member shall take the deduction required with respect to an undermargined account in computing its net capital under applicable CFTC and SEC Rules.

(2) If at any time there is a liquidating deficit in an account in which security futures are held, the Clearing Member shall take steps to liquidate positions.