



March 12, 2024

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

Re: Cboe Digital Exchange, LLC Rule Certification Submission Number CDE-2024-05E

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and §40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission (“CFTC” or “Commission”) under the Act, Cboe Digital Exchange, LLC (“CDE” or “Exchange”) hereby submits a rule amendment (“Amendment”) to remove Chapter 12 (Spot Markets) from its Rulebook, as well as spot market-related definitions, and to implement a non-substantive formatting change to a term throughout the Rulebook. **Exhibit A** to this submission sets forth the rule changes included in the Amendment. The Amendment will become effective on April 12, 2024.

By way of background, Cboe Digital Exchange, LLC currently operates a digital asset spot market, separate from its DCM (“Cboe Digital Spot Market”). The Cboe Digital Spot Market is regulated as a money services business (“MSB”) under Financial Crimes Enforcement Network (FinCEN), is licensed in various states in accordance with state money transmitter licensing (“MTL”) requirements, and holds a BitLicense from the New York Department of Financial Services. Chapter 12 of the Cboe Digital Exchange Rulebook currently houses the rules applicable to the Cboe Digital Spot Market. Pursuant to Rule 1200, Cboe Digital has adopted the rules in Chapter 12 to promote a free and open market on the Cboe Digital Exchange Spot Market and to maintain appropriate business conduct; while changes to the Cboe Digital Exchange Rulebook are generally handled by self-certification to the CFTC and concurrent notification to market participants, CFTC self-certification is not required for the changes to the Chapter 12 of the Cboe Digital Exchange Rulebook and Participants are notified of changes to the Cboe Digital Spot Market rules prior to implementation. Because the Cboe Digital Spot Market is a separate market, not part of the DCM and not subject to CFTC oversight, the Exchange is submitting this Amendment to remove the Cboe Digital Spot Market rules in Chapter 12 from the Cboe Digital Exchange Rulebook, as well as spot market-related definitions from Rule 101 (Definitions).¹ The Exchange will create and post a separate Cboe Digital Spot Market Rulebook on its website and notify its spot market participants of this change.

Additionally, and separately, the Amendment makes a non-substantive formatting change to the term “Clearinghouse” throughout the Cboe Digital Exchange Rulebook, reflecting it as one word rather than two.

¹ As the Exchange is removing the concept of a Digital Asset Trading Privilege Holder, applicable only to spot market participants, from the Cboe Digital Exchange Rulebook, the Amendment also updates “Futures Trading Privilege Holder” to just “Trading Privilege Holder” as there will no longer be a need to differentiate between a Futures Trading Privilege Holder and a Digital Asset Trading Privilege Holder.

Core Principle Compliance

CDE believes that the Amendment is consistent with the DCM Core Principles under Section 5 of the Act. In particular, CDE believes that the Amendment is consistent with DCM Core Principle 7 (Availability of General Information) in that the Amendment provides for a more accurate Cboe Digital Exchange Rulebook by removing Chapter 12; providing additional clarity that the Cboe Digital Exchange Rules are applicable to the activity and futures contracts offered on the DCM, and specific delineation between the DCM futures markets rules and the Cboe Digital Spot Market rules.

Certification

CDE believes that the impact of the Amendment will be beneficial to the public and market participants. CDE is not aware of any substantive opposing views to the Amendment. CDE hereby certifies that the Amendment complies with the Act and the regulations thereunder. CDE further certifies that it has posted a notice of pending certification with the Commission and a copy of this submission on the Cboe Digital website (<https://www.cboedigital.com/regulation/exchange-notices/>) concurrent with the filing of this submission with the Commission.

If you have any questions regarding this submission, please contact the undersigned at the information below.

Sincerely,

/s/ Rebecca Tenuta

Rebecca Tenuta
Senior Counsel
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EXHIBIT A

Amendments to the Cboe Digital Exchange Rulebook

(All deletions are struck-through, all additions are underlined, and all relocated text double struck-through and double underlined)

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RULE 101. Definitions

When used in this Rulebook the following terms shall have the respective meanings as follows:

“Affiliate” of, or a Person “Affiliated” with another Person means a Person who, directly or indirectly, Controls, is Controlled by, or is under common Control with, such other Person.

“Appeal Panel” means a panel comprised of a chair and two individuals appointed by the Board to consider appeals under Chapter 7.

“Applicable Law” means, any statute, law, regulation, rule or ordinance of any governmental or self-regulatory authority including but not limited to the CEA and CFTC Regulations, ~~and state regulations where applicable.~~

“Authorized Representative” means any natural person who is employed and authorized by a Trading Privilege Holder to represent the Trading Privilege Holder in Exchange matters pursuant to Rule 307.

“Authorized Reporter” has the meaning set forth in Rule 602 in relation to Exchange of Derivatives for Related Position transactions and has the meaning set forth in Rule 601 and Rule 1206, as applicable, in relation to Block Trades.

“Authorized Trader” means any natural person who is either a Trading Privilege Holder or who is authorized by a Trading Privilege Holder to access the Cboe Digital Exchange on behalf of a Trading Privilege Holder

“Block Trade” has the meaning set forth in Rule 601 and Rule 1206, as applicable.

“Board” means the Board of Managers of Cboe Digital Exchange, which manages the Exchange and is constituted from time to time in accordance with the Operating Agreement.

“Business Day” means, any day the Exchange is open for business in any Contract.

“Cboe Clear Digital” means Cboe Clear Digital, LLC, or its successor.

“Cboe Digital Exchange” or “Exchange” means Cboe Digital Exchange, LLC, or any successor thereto.

“Cboe Digital Exchange Rules” or “Rulebook” means all rules adopted, all Notices to Participants published by the Exchange or ~~Clearing House~~Clearinghouse, and the terms of any agreements, terms of use,

interpretations, orders, resolutions, advisories, statements of policy, decisions, manuals and directives of Cboe Digital Exchange or the ~~Clearing House~~Clearinghouse, and all amendments thereto.

“Cboe Digital Exchange User License Agreement” or “EULA” means the Cboe Digital Exchange User License Agreement that must be entered into by any user of the Cboe Digital Trading System.

“CDIH” means Cboe Digital Intermediate Holdings, LLC, or any successor thereto.

“Cboe Digital Trading System” means the Cboe Digital Exchange electronic trade execution system that is used for trading Contracts, including any licensed software that is a part thereof from time to time, and any successor electronic trading system thereto.

“Cboe Digital Workstation” means any computer connected directly to the Cboe Digital Trading System, including by means of an Exchange defined protocol, for the purpose of trading Contracts.

“CFTC” or “Commission” means the U.S. Commodity Futures Trading Commission or any successor regulatory body.

“CFTC Regulations” means the rules and regulations promulgated by the CFTC, as amended.

“President” means the individual appointed by the Board as the Exchange’s President.

“Chief Regulatory Officer” means the individual appointed by the Board as the Exchange’s chief regulatory officer.

“Clearing Member” a member of the ~~Clearing House~~Clearinghouse that is a Trading Privilege Holder and that is authorized under the Rules of the Clearing-~~h~~house to clear trades in any or all Contracts. ~~Clearing Member may include, as the context requires, Futures Clearing Members and/or Digital Asset Clearing Members.~~ The term “Clearing Member” collectively refers to all Authorized Traders of a Clearing Member authorized to utilize Cboe Digital Exchange.

“Clearing-~~h~~house” means the Cboe Clear Digital, LLC (“Cboe Clear Digital”) or such other clearing organization(s) as the Exchange may designate to provide clearing services with respect to any or all of its Contracts. To the extent that the Exchange designates multiple clearing organizations to provide clearing services at any given time, the term Clearing~~h~~h-Houses shall refer to any clearing organization designated to provide such services with respect to the Contract or Clearing Member in question.

“~~Clearing House~~Clearinghouse Rules” means the Articles of Organization, operating agreement, rules, policies, interpretation, stated policy, or instrument corresponding to any of the foregoing, in each case as adopted or amended from time to time by the Clearing-~~H~~house.

“Commodity Exchange Act” or “CEA” means the Commodity Exchange Act, as amended from time to time.

“Contract” means any Future, Option, or Swap ~~or Digital Asset~~ approved for trading on the Exchange or through the Cboe Digital Trading System, and pursuant to the Rules. Each single leg Futures expiration and each single leg Options series is a separate Contract.

“Contract Market” has the meaning set forth in CFTC Regulation § 1.3.

“Contract Specifications” means, with respect to any Contract, the rules or other trading protocols containing specifications for such Contract, as adopted, amended, supplemented or otherwise modified from time to time by the Exchange.

“Control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of securities, by contract, or otherwise. The terms “controlling” or “controlled” shall have meanings correlative to the foregoing.

“Customer” means any Person for whom for whom a Trading Privilege Holder or Participant carries an account (other than such Trading Privilege Holder or Participant or any Affiliates of such Trading Privilege Holder or Participant) or from whom a Trading Privilege Holder or Participant solicits or accepts an Order.

“Customer Account” means the account of a Customer.

“Daily Settlement Price” or “Settlement Price” means the official daily closing price for a Contract calculated each Business Day, as determined in accordance with Rule 906, and used for all open interest at the close of the daily settlement cycle.

“Derivatives Clearing Organization” has the meaning set forth in Section 1a(15) of the CEA.

~~“Digital Asset Clearing Member” means a member of the Clearing House that is a Digital Asset Trading Privilege Holder and that is authorized by the Clearing House to clear trades in Digital Asset Contracts.~~

~~“Digital Asset Trading Privileges” means a permit conferred by the Exchange on any Person in accordance with Rule 302 to access the Cboe Digital System to trade in Digital Asset Contracts and to enter into Block Trades in Digital Asset Contracts in accordance with the Rules of the Exchange.~~

~~“Digital Asset Trading Privilege Holder” means any Person holding Digital Asset Trading Privileges. The term “Digital Asset Privilege Holder” collectively refers to all Digital Asset Privilege Holders and Authorized Traders of a Digital Asset Privilege Holder authorized to utilize Cboe Digital Exchange.~~

“Digital Asset” means a type of digital unit or asset that is used as a medium of exchange or form of digitally stored value. Examples of Digital Assets include Bitcoin and Ether.

“Director” means any member of the Board.

“Disciplinary Panel” means the panel appointed by the Board at the recommendation of the Chief Regulatory Officer to act in an adjudicative role and fulfill various adjudicative responsibilities and duties described in Chapter 7.

“EEA Retail Investor” means any person or entity located in the European Economic Area that does not qualify as a “professional client” as defined in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as such term may be amended, restated or superseded from time to time.

“Eligible Contract Participant” has the meaning set forth in Section 1a(18) of the CEA, as amended, and CFTC rules promulgated thereunder.

“Emergency” means the occurrences or circumstances which, in the opinion of the Board, require immediate action, and which threaten, or may threaten, the fair and orderly trading in, or the settlement or integrity of, any Contract, including, without limitation, the following:

- (i) any circumstance that may materially affect the performance of a Contract, including but not limited to failure of the Cboe Digital Trading System or the ~~Clearing House~~Clearinghouse system;
- (ii) any action taken by any domestic or foreign regulatory, self-regulatory, judicial, arbitral, or governmental (whether national, state or municipal) or quasi-governmental authority, or any agency, department, instrumentality, or sub-division thereof; or other Person exercising, or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; or any other Contract Market, clearing-house, board of trade, or other exchange or trade association (foreign or domestic) that may have a direct impact on trading on the Exchange or the settlement legality or enforceability of any Contract;
- (iii) any actual, attempted or threatened corner, squeeze, congestion, manipulative activity or undue concentration of positions in a Contract;
- (iv) any circumstance that may have a severe, adverse effect upon the functions and facilities of the Exchange, including, but not limited to, acts of God, fire, flood or other natural disasters, bomb threats, acts of terrorism or war, severely inclement weather, or failure or malfunction of all or a portion of the Cboe Digital Trading System, or other system breakdowns or interruptions such as power, computer, communication or transportation systems or the Internet;
- (v) the bankruptcy or insolvency of any Clearing Member or the imposition of any injunction or other restraint by any government agency, clearing house, court or arbitrator upon a Clearing Member which may affect the ability of a Clearing Member to trade in or perform on a Contract;
- (vi) any circumstance in which it appears to the Board that a Participant:
 - (A) has failed to perform on a Contract;
 - (B) is insolvent; or
 - (C) is in a financial or operational condition or is conducting business such that the Clearing Member or Person cannot be permitted to continue in business without jeopardizing the safety of Customer funds, Trading Privilege Holders, Participants, the Exchange or the ~~Clearing House~~Clearinghouse;
- (vii) Any circumstance which may have a material impact on the reliability or transparency of the underlying commodity market related to the Products; or
- (viii) any other unusual, unforeseeable or adverse circumstance as determined by the Exchange.

“Emergency Rules” has the meaning set forth in Rule 212(a).

“Exchange Activity” means business for which a Clearing Member, Trading Privilege Holder, Participant or other Person, is subject to the Cboe Digital Exchange Rules, which is purportedly conducted subject to the Cboe Digital Exchange Rules, or which should have been conducted subject to the Cboe Digital Exchange Rules.

“Exchange of Derivatives for Related Positions” or “EDRP” or “Exchange of Futures for Related Positions” or “EFRP” has the meaning set forth in Rule 602.

“Exchange Official” means any Director or Officer of, or individual employed directly by, the Exchange or the ~~Clearing House~~Clearinghouse, or any individual rendering similar services to the Exchange under an administrative or similar agreement.

“Exchange Practices Committee” means the committee of the Board constituted in accordance with Rule 210.

“Exchange Proceeding” and “Exchange Proceedings” have the meanings attributed to such terms in Rule 213(a).

“Founding Owner” means a Participant that has made an equity investment in CDIH.

“Future” means any Contract for the purchase or sale of any commodity for future delivery from time to time traded on or subject to the Rules of the Exchange.

~~“Futures Clearing Member” means a member of the Clearing House that is a Futures Asset Trading Privilege Holder and that is authorized by the Clearing House to clear trades in Futures Contracts.~~

“Futures Commission Merchant” or “FCM” has the meaning set forth in Section 1a(28) of the CEA.

~~“Futures Trading Privileges” means a permit conferred by the Exchange on any Person in accordance with Rule 302 to access the Cboe Digital System to trade in Futures Contracts and to enter into EDRP transactions and Block Trades in Futures Contracts in accordance with the Rules of the Exchange.~~

~~“Futures Trading Privilege Holder” means any Person holding Futures Trading Privileges. Futures Trading Privilege Holders shall be deemed to be members of the Exchange for purposes of the CEA and Commission Regulations thereunder. The term “Futures Privilege Holder” collectively refers to all Futures Privilege Holders and Authorized Traders of a Futures Privilege Holder authorized to utilize Cboe Digital Exchange.~~

“Government Agency” means any governmental entity (including the United States, a State, or a foreign government).

“Independent Software Vendor” or “ISV” means any Person that offers services that provide access to the Cboe Digital Trading System. In order to provide access to the Cboe Digital Trading System the ISV must enter into a Third-Party Connectivity Agreement with the Exchange and be approved by the Exchange.

“Interested Person” has the meaning attributed to such term in Rule 213(a).

“Introducing Broker” or “IB” has the meaning set forth in Section 1a(31) of the CEA.

“Joint Audit Committee” means the voluntary, cooperative organization comprised of representatives of U.S. futures exchanges and self-regulatory organizations, including the Exchange. The Joint Audit Committee's primary responsibility is to oversee the implementation and functioning of all terms and conditions of the Joint Audit Agreement and to determine the practices and procedures to be followed by each Designated Self-Regulatory Organization in the conduct of audits and financial reviews of FCMs.

“Joint Compliance Committee” means the information sharing organization whose members include compliance officials from all U.S. Designated Contract Markets, including the Exchange.

“Liquidity Provider” means a Trading Privilege Holder that has entered into a Liquidity Provider Agreement, which provides the Trading Privilege Holder with certain incentives as a liquidity provider.

“Market Regulation Department” means all Exchange Officials and/or agents of the Exchange that assist the Exchange in the implementation, surveillance and enforcement of the Cboe Digital Exchange Rules and other Obligations.

“Exchange Notice” means a communication sent by or on behalf of the Exchange to all Trading Privilege Holders as described in Rule 309.

“Obligation” means each Rule of the Exchange, order or procedure issued by the Exchange, including Exchange Notices, and other requirements implemented by the Exchange under the Cboe Digital Exchange Rules, including each term of a Contract, as well as any contractual obligations between a Trading Privilege Holder or Participant, and the Exchange, including the Participant Documentation.

“Officer” has the meaning attributed to such term in Rule 203.

“Operating Agreement of Cboe Digital Exchange” or “Operating Agreement” means the Limited Liability Company Agreement of Cboe Digital Exchange LLC, as amended or otherwise modified from time to time.

“Option” means any Option to buy or sell any Contract traded subject to the Cboe Digital Exchange Rules.

“Order” means either a bid or an offer for a Contract. The following Order types are available on the Cboe Digital Trading System and may be amended from time to time:

(a) Limit means a simple order executed when a specific price is met.

(b) Stop Limit means an order that is similar to Stop Loss order with a difference that it activates a Limit order when market rate condition of the stop price is met.

“Order Qualifiers” means the following order duration qualifiers supported by the Cboe Digital Trading System. An Order eligible to be entered into the Cboe Digital Trading System that does not contain a duration qualifier will be cancelled if not filled during the trading day in which it was received or, if it was received between trading days, during the next trading day. An Order may specify one of the following duration qualifiers:

(a) “Good Till Cancel” (GTC) means an Order that will remain in the market until executed or manually cancelled.

(b) “Immediate or Cancel” (IOC) means an Order that will either be immediately executed or cancelled.

(c) “Good Till Date” (GTD) means an Order that will remain in the market until the end of the trading session on a specified date.

(d) “Fill or Kill” (FOK) means an Order in which the full quantity of the Order will either be immediately executed or canceled.

“Other Trading Hours” or “OTH” means, if applicable, the times available for trading block trades and EDRPs when the public auction market is closed.

“Participant” has the meaning set forth in Rule 314(d).

"Participant Documentation" means the applicable forms and agreements (together with any applicable schedules, exhibits or appendices thereto required by the Exchange or ~~Clearing House~~Clearinghouse) in form and substance acceptable to the Exchange, that are required to be executed and delivered to the Exchange or ~~Clearing House~~Clearinghouse before a Person may access the Cboe Digital Trading System.

"Person" means any natural person, sole proprietorship, association, partnership, limited liability company, joint venture, trust, corporation or other type of entity or organization.

"Privileges of Membership," for purposes of NFA Bylaw 1301, shall be granted to any Participant that is a Founding Owner or Liquidity Provider as set forth in Rule 305.

"Proprietary Account" has the meaning ascribed to it by CFTC Regulation § 1.3.

"Public Director" means an individual with the qualifications set forth in Rule 202(e).

"Public Individual" means an individual that is determined by the Board or Chief Regulatory Officer, as applicable, to have no "material relationship" with the Exchange, as such term is used in Rule 202(e).

"Regular Trading Hours" or "RTH" means those hours designated for public auction trading of the relevant Contract as may be determined by the Exchange from time to time.

"Regulatory Oversight Committee" means the committee of the Board constituted in accordance with Rule 208.

"Related Party Means" means, with respect to any Trading Privilege Holder: any partner, director, officer, branch manager, employee or agent of such Trading Privilege Holder (or any Person occupying a similar status or performing similar functions); any Person directly or indirectly Controlling, Controlled by, or under common Control with, such Trading Privilege Holder; or any Authorized Trader of such Trading Privilege Holder.

"Self-Regulatory Organization" shall, unless otherwise provided, have the meaning set forth in CFTC Regulation § 1.3 and, in addition, shall include a Contract Market, Derivatives Clearing Organization, and registered futures association.

"Technology Services Agreement" means the agreement(s) between the Exchange and Technology Services Provider(s) whereby technology services are provided to the Exchange.

"Technology Services Provider" means an organization, if any, which provides technology services to the Exchange pursuant to a Technology Services Agreement

"Trading Hours" means, for any Business Day, the hours that trading in any Contract may regularly be conducted. Trading Hours shall include any regular and other trading hours in a relevant Contract's specifications under the Rules and published on the Exchange's website. Except to the extent expressly permitted by the Rules of the Exchange, no Trading Privilege Holder (including its Authorized Traders) shall engage in any transaction in any Contract before or after such hours.

"Trading Privilege Holder" means any Person holding Trading Privileges. Trading Privilege Holders shall be deemed to be members of the Exchange for purposes of the CEA and Commission Regulations thereunder. The term "Futures-Trading Privilege Holder" collectively refers to all Futures-Trading Privilege Holders and

~~Authorized Traders of a Futures Trading Privilege Holder authorized to utilize Cboe Digital Exchange, any Person holding Trading Privileges. Trading Privilege Holder may include, as the context requires, Digital Asset Trading Privilege Holders and/or Futures Trading Privilege Holders.~~

~~“Trading Privileges” means Futures Trading Privileges and Digital Asset Trading Privileges, a permit conferred by the Exchange on any Person in accordance with Rule 302 to access the Cboe Digital System to trade in Contracts and to enter into EDRP transactions and Block Trades in Contracts in accordance with the Rules of the Exchange.~~

The following rules of construction shall apply to the Cboe Digital Exchange Rules:

- (i) the headings are for convenience only and do not affect the construction of the Cboe Digital Exchange Rules;
- (ii) all references to time are to local time in Chicago, Illinois except where expressly provided otherwise;
- (iii) words denoting a singular number include the plural number where the context permits and vice versa;
- (iv) where the context permits or requires, any pronoun shall include the corresponding masculine, feminine and gender neutral forms;
- (v) references to statutory provisions include those provisions as amended, and any rules or regulations promulgated thereunder.

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RULE 301. Criteria for Becoming a Trading Privilege Holder

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(c) Cboe Digital may restrict, suspend or terminate a Trading Privilege Holder’s access to Cboe Digital or the Cboe Digital Trading System at the direction of the Clearing Member or the ~~Clearing House~~Clearinghouse. The Exchange will provide a Clearing Member with and require a Clearing Member to use pre-trade controls that enable the Clearing Member to implement appropriate financial risk limits for its non-Clearing Member Trading Privilege Holders.

RULE 302. Trading Privilege Holder Application Process

(a) Any Person who desires to become a Trading Privilege Holder shall:

- (1) enter into all required Participant Documentation applicable to Trading Privilege Holders;
- (2) enter into any and all required agreements, consent and representations required by the ~~Clearing House~~Clearinghouse, if applicable;
- (3) agree in writing to abide by the Rules and Applicable Law;
- (6) provide such information and documentation as may be requested by the Exchange, and follow the procedures established by the Exchange for admission; and,

(4) in accordance with CFTC Regulation §15.05, the Exchange will serve as an agent of a foreign ~~Futures~~-Trading Privilege Holder, or a Customer of a foreign ~~Futures~~-Trading Privilege Holder for whom transactions were executed, for purposes of accepting delivery and service of any communication issued by or on behalf of the CFTC to the foreign ~~Futures~~-Trading Privilege Holder, or a Customer of the foreign ~~Futures~~-Trading Privilege Holder, in each case with respect to any transactions executed by the foreign ~~Futures~~-Trading Privilege Holder on the Exchange.

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RULE 314. Application of Rules and Consent to Exchange Jurisdiction

- (a) By accessing, or entering any Order into the Cboe Digital Trading System, and without any need for any further action, undertaking or agreement, a Trading Privilege Holder, including any of its Authorized Traders and Related Parties agree:
- (1) to be bound by, and comply with, the Cboe Digital Exchange Rules and Obligations, the ~~Clearing House~~Clearinghouse Rules, and Applicable Law, in each case to the extent applicable to it;
 - (2) to become subject to the jurisdiction of the Exchange with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Person; and
 - (3) to assist the Exchange and ~~Clearing House~~Clearinghouse in complying with their legal and regulatory obligations, cooperate with the Exchange, ~~Clearing House~~Clearinghouse, and the CFTC in any inquiry, investigation, audit, examination or proceeding, and authorizes the Exchange and ~~Clearing House~~Clearinghouse to provide information regarding it to the CFTC or any other governmental or Self-Regulatory Organization.
- (b) Any Trading Privilege Holder whose Trading Privileges or ability to otherwise access the Cboe Digital Trading System are revoked or terminated shall remain bound by the Cboe Digital Exchange Rules, the ~~Clearing House~~Clearinghouse Rules, and Applicable Law, in each case to the extent applicable to it, and subject to the jurisdiction of the Exchange with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Trading Privilege Holder prior to such revocation or termination.

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- (c) For the avoidance of doubt:
- (1) Every Authorized Reporter for EDRP transactions and Block Trades shall be deemed a Participant.
 - (2) A Participant is bound by and required to comply with the Rules of the Exchange set forth in Rule 314(e) to the same extent that a Trading Privilege Holder or Related Party is bound by and required to comply with those provisions regardless of whether or not those provisions reference Participants.
- (d) A Trading Privilege Holder or Participant remains obligated to comply with the Rules of the Exchange, the Rules of the ~~Clearing House~~Clearinghouse and Applicable Law, in each case to the extent applicable to that party, regardless of any use of a third party to assist the Trading Privilege Holder or Participant

with that compliance and regardless of any non-performance by the third party in providing that assistance.

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RULE 401. Duties and Responsibilities of Trading Privilege Holders

- (a) Each Trading Privilege Holder shall (and shall cause all of its Authorized Traders and Related Parties):
- (1) use the Cboe Digital Trading System in a responsible manner and not for any improper purpose;
 - (2) use the Cboe Digital Trading System only to conduct Exchange Activity;
 - (3) conduct all Exchange Activity in a manner consistent with the Cboe Digital Exchange Rules and Obligations, and Applicable Law;
 - (4) comply with all Cboe Digital Exchange Rules and Obligations and act in a manner consistent with the Cboe Digital Exchange Rules and Obligations;
 - (5) comply with all ~~Clearing House~~Clearinghouse Rules, to the extent applicable to it, and act in a manner consistent with the ~~Clearing House~~Clearinghouse Rules, to the extent applicable;
 - (6) comply with all NFA Rules, to the extent applicable to it, and act in a manner consistent with the NFA Rules, to the extent applicable;
 - (7) observe high standards of integrity, market conduct, commercial honor, fair dealing, and just and equitable principles of trade while conducting or attempting to conduct any Exchange Activity, or any aspect of any business connected with or concerning the Exchange;
 - (8) not knowingly mislead or conceal any material fact or matter in any dealings or filings with the Exchange or in response to any Exchange Proceeding;
 - (9) keep any User IDs, account numbers and passwords related to the Cboe Digital Trading System confidential;
 - (10) be fully liable for: all trading losses, all Orders, all transactions in Contracts effected by Trading Privilege Holder, all transactions effected on Cboe Digital Exchange and for any use of the Cboe Digital Trading System made by Trading Privilege Holder or Trading Privilege Holder's Authorized Traders, and all trades even if the Orders received via the Cboe Digital Trading System: (1) were entered as a result of a failure in the security controls and/or credit controls, other than due to the gross negligence of Cboe Digital Exchange, or (2) were entered by an unknown or unauthorized user;
 - (11) use the Exchange's pre-trade controls that enable the Clearing Member to implement appropriate risk limits for Trading Privilege Holders ;

(12) employ practices to monitor and enforce compliance with risk limits;

(13) be responsible for promptly informing the Exchange of any material changes to the information provided to the Exchange by the Trading Privilege Holder pursuant to Rule 301; and

(14) prevent, detect, and mitigate market disruptions or system anomalies associated with the Trading Privilege Holder's electronic trading on the Exchange.

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RULE 408. Treatment of Customer Funds and Securities

Each Trading Privilege Holder that is required to be registered with any Government Agency, including the CFTC and the U.S. Securities and Exchange Commission, or Self-Regulatory Organization shall comply with the provisions of Applicable Law, including but not limited to the rules and regulations such Government Agency imposes on a Trading Privilege Holder relating to the treatment of Customer funds and the maintenance of books and records with respect thereto. Each Clearing Member must comply with the regulations of the applicable Government Agency and the rules of the ~~Clearing House~~Clearinghouse, including, but not limited to rules related to the protection of Customer funds, including the segregation of Customer and proprietary funds, the custody of Customer funds, the investment standards for Customer funds, intermediary default procedures and related recordkeeping. This includes, but is not limited to CFTC Regulations §§ 1.20 and 1.25. Any Trading Privilege Holder that violates any of the aforementioned ~~Clearing House~~Clearinghouse Rules or other Applicable Law relating to the treatment of Customer funds and the maintenance of books and records with respect thereto shall be deemed to have violated this Rule 408.

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RULE 505. Fraudulent Acts Prohibited

No Trading Permit Holder (or any of its Authorized Traders, Authorized Representatives, or Related Parties) shall engage or attempt to engage in any fraudulent act or engage or attempt to engage in any scheme to defraud, deceive or trick, in connection with or related to any trade on or other activity related to the Exchange or the ~~Clearing House~~Clearinghouse. Prohibited activity encompassed by this Rule in relation to any Contract may occur either directly through activity in the market for that Contract, or indirectly through activity in the market of any commodity, security, index or benchmark underlying that Contract, regardless of the exchange on or market in which the underlying is transacted.

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RULE 512. Adherence to Law

No Trading Privilege Holder (or any of its Authorized Traders or Related Parties) shall engage in conduct that is a violation of Applicable Law, the Rules of the Exchange, the Rules of the ~~Clearing House~~Clearinghouse (insofar as the Rules of the ~~Clearing House~~Clearinghouse relate to reporting or clearance of any transaction in Contracts) or any agreement with the Exchange.

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RULE 513. Supervision

(a) Each Trading Privilege Holder shall be responsible for establishing, maintaining and administering reasonable supervisory procedures to ensure that its Related Parties, automated trading systems and Customers comply with Applicable Law, the Cboe Digital Exchange Rules and the ~~Clearing House~~Clearinghouse Rules. Each Trading Privilege Holder shall be responsible for supervising its Related Parties and automated trading systems and may be held accountable for the actions of its Related Parties and automated trading systems.

(b) Each Participant shall supervise that Participant's activities and automated trading systems to ensure that they comply with Applicable Law, the Rules of the Exchange and the Rules of the ~~Clearing House~~Clearinghouse, in each case to the extent those provisions are applicable to Participants.

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RULE 524. Recordkeeping Requirements for Entering Orders into the Cboe Digital Trading System

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(b) Each single Order other than a Cancel Order or Cancel Replace/Modify Order must contain the following information: (i) whether such Order is a buy or sell Order; (ii) Order type; (iii) price or premium (if the Order is not a Market Order); (iv) quantity; (v) in the case of Orders for Futures, Contract identifier or product and contract expiration(s); (vi) in the case of Orders for Options, either Contract identifier or each of strike price(s), type(s) of option(s) (put or call), expiration(s) and underlying Futures Contract(s); (vii) Client Order ID; (viii) FIRM code (i.e., Clearing FIRM code and Trading Privilege Holder FIRM code); (ix) Order Entry Operator ID; (x) ~~Clearing House~~Clearinghouse origin code (C for Customer or F for Firm); (xi) Customer Type Indicator code; (xii) account designation (which shall be the account number of the account of the party for which the Order was placed, except that a different account designation may be included in the case of a bunched Order processed in accordance with Rule 524(h) and 511 or in the case of an Order for which there will be a post-trade allocation of the resulting trade(s) to a different clearing member); and (xiii) such additional information as may be prescribed from time to time by the Exchange.

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RULE 529. Average Price System

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- (a) Requirements for APS Trades. The requirements enumerated below must be met for APS transactions.
- (1) The Customer must have requested average price reporting.
 - (2) Each individual trade must be submitted to the Exchange and cleared by the Clearing House at the executed price.
 - (3) A Trading Privilege Holder must compute and confirm the weighted mathematical average price, as set forth in Section (c).
 - (4) A Trading Privilege Holder must possess the records to support the calculations and allocations to Customer Accounts and must maintain these records pursuant to CFTC regulations.
 - (5) A Trading Privilege Holder must ensure that its proprietary trades are not averaged with Customer APS trades.

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RULE 603. Timing and Reporting Requirements for Privately Negotiated Trades

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- (b) Each party to a Privately Negotiated Trade shall comply with all applicable Rules of the Exchange other than those which by their terms only apply to trading through the Cboe Digital Trading System on the CLOB. Trading Privilege Holders that execute or clear Privately Negotiated Trades on behalf of Customers are responsible for ensuring that their Customers that engage in Privately Negotiated Trades in Contracts traded on the Exchange are fully informed regarding Exchange requirements relating to Privately Negotiated Trades. Each Privately Negotiated Trade shall be designated as a Block Trade or EDRP, as applicable, in Exchange Market Data and be cleared through the Clearing House as if it were a transaction executed through the Cboe Digital Trading System on the CLOB.

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RULE 717. Summary Imposition of Fines

- (a) The Chief Regulatory Officer may summarily impose a fine against a Trading Privilege Holder (on behalf of itself or any of its Authorized Traders, Related Parties or other Persons using any of its User IDs) or Authorized Trader for failing:
- (1) to make timely payments of original or variation margin, Options premiums, fees, cost, charges or fines to the Exchange or the Clearing House;

- (2) to make timely and accurate submissions to the Exchange of notices, reports or other information required by the Cboe Digital Exchange Rules; and
- (3) to keep any books and records required by the Cboe Digital Exchange Rules.

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RULE 801. Disputes Subject to Arbitration

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(b) Claims Against the Exchange or ~~Clearing House~~Clearinghouse.

(1) Claims Against the Exchange

Claims against the Exchange pursuant to the provisions of Rules 537 and/or Rule 539 can be submitted to arbitration through the American Arbitration Association or another arbitration program permitted by the CFTC Regulations. Such arbitration shall be conducted pursuant to the Rules and the rules of the arbitration Program.

(2) Claims Against the ~~Clearing House~~Clearinghouse

Claims against the ~~Clearing House~~Clearinghouse must be pursued pursuant to the rules of the ~~Clearing House~~Clearinghouse.

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RULE 901. Clearing of Contracts

All Contracts shall be cleared through the ~~Clearing House~~Clearinghouse in accordance with the ~~Clearing House~~Clearinghouse Rules and in conformity with the Exchange rules specifically provided in this Chapter 9.

RULE 902. Criteria for Becoming a Clearing Member

(a) Any Clearing Member of the ~~Clearing House~~Clearinghouse authorized by the ~~Clearing House~~Clearinghouse under the ~~Clearing House~~Clearinghouse Rules may apply as a Clearing Member Trading Privilege Holder of the Exchange.

(b) Applicants for Clearing Member of the Exchange must, in addition to the criteria set for in Rule 301, satisfy the following criteria:

- (1) be a Clearing Member of the ~~Clearing House~~Clearinghouse in good standing

- (2) meet the minimum capital requirement as determined by the ~~Clearing House~~Clearinghouse and
- (3) satisfy the Clearing Member provisions set forth in Rule 903.

(c) The Exchange evaluates and monitors a Clearing Member's compliance with the criteria set forth in this Rule 902. The Exchange, through its membership in the Joint Audit Committee evaluates and monitors a Clearing Member's compliance with the criteria set forth in this Rule 902.

(d) The ~~Clearing House~~Clearinghouse may assist the Exchange in evaluating and monitoring a Clearing Member's compliance with these criteria. By becoming a Clearing Member, a Clearing Member and its Related Parties agree to cooperate with the Exchange in any such monitoring.

(e) Authorized Clearing Members shall have the right to clear Contracts in accordance with the ~~Clearing House~~Clearinghouse Rules and the Cboe Digital Exchange Rules, as applicable.

RULE 903. Clearing Member Application Process and Obligations

(a) A Clearing Member of the ~~Clearing House~~Clearinghouse that desires to become a Clearing Member Trading Privilege Holder shall complete the Trading Privilege Holder application process pursuant to Rule 302. In addition to the Trading Privilege Holder applicant requirements set forth in Rule 302, a Clearing Member that clears Contracts on behalf of a Trading Privilege Holder(s) and that effects transactions for the Clearing Member account and/or the Customer(s) of the Clearing Member must:

(1) Agree to act as a Clearing Member for such Trading Privilege Holder(s);

(2) Agrees that it will be financially responsible for (i) any transactions effected on Cboe Digital and for any use of the Cboe Digital Trading System made by Clearing Member, Clearing Member's Authorized Traders, Trading Privilege Holder or Trading Privilege Holder's Authorized Traders (ii) all Trading Privilege Holder Orders that are entered using Firm IDs assigned by Cboe Digital Exchange and for clearing any trades that are matched as a result of such Orders. Clearing Member will be responsible to clear such trades even if the Orders received via the Cboe Digital Trading System: (a) exceeded Clearing Member's credit parameters, (b) were entered as a result of a failure in the security controls and/or credit controls, other than due to the gross negligence of Cboe Digital, (c) were entered by an unknown or unauthorized user.

(3) Agree that it will accept full responsibility for any transactions effected on Cboe Digital Exchange and for any use of the Cboe Digital Trading System made by Clearing Member or Clearing Member's Authorized Traders.

(4) If the Clearing Member is an FCM Clearing Member, it must comply with the requirements set forth in CFTC Regulation 1.11 (Risk Management Program for futures commission merchants

(~~be~~) In addition to the reasons set forth in Rule 302(f), the Exchange may deny, condition or terminate the Clearing Member status of any Person:

(1) If such Person is unable to satisfactorily demonstrate its ability to satisfy the eligibility criteria to become or remain a Clearing Member; or

(2) If such Person is unable to satisfactorily demonstrate its capacity to adhere to all applicable Rules;

(~~ce~~) the event of a default that occurs or has occurred in relation to a Clearing Member with open positions in any Contract in a proprietary or customer account, each other Clearing Member shall cooperate with the Clearing House Clearinghouse, on a best-efforts basis, to accept the transfer of positions in such Contracts.

RULE 904. Clearing House Clearinghouse Rules

- (a) The clearing services provided by the Clearing House Clearinghouse with respect to any Contract, and the rights and obligations of purchasers and sellers under cleared Contracts (including without limitation rights and obligations in respect of clearing and settlement, variation payments and performance at maturity), shall be governed by the Clearing House Clearinghouse Rules, as applicable.
- (b) The Clearing House Clearinghouse provides clearing and settlement services for the Contracts, including the risk management infrastructure. The Exchange conducts surveillance related to this Rule 904.
- (c) The Exchange may establish performance bond requirements from time to time as published by the Exchange in an Exchange Notice. Trading Privilege Holder must call for Performance Bonds from their Customers and post performance bond with the Clearing House Clearinghouse as set forth in the Clearing House Clearinghouse Rules. All performance bond collateral must be in a form acceptable to the Clearing House Clearinghouse pursuant to Clearing House Clearinghouse Rules.
- (d) The Clearing House Clearinghouse Rules shall prevail in the event of any conflict or inconsistency between the Rules and the Clearing House Clearinghouse Rules with respect to any Clearing Member responsibilities or obligations under the Clearing House Clearinghouse Rules. All Clearing Members are bound by the Clearing House Clearinghouse Rules.

RULE 905. Other Clearing Organizations

Whenever the Exchange designates a clearing organization other than the Clearing House Clearinghouse for the clearance of Contracts with respect to which there are open positions, each Clearing Member shall, as of the close of business on the second Business Day prior to the effective date of such designation, either become a Clearing Member of such successor clearing organization, or cause any such open Contracts carried by it either to be transferred to a Clearing Member of such successor clearing organization or to be liquidated.

RULE 906. Settlement Prices

(a) The Exchange, in conjunction with the Clearing House Clearinghouse, will determine the Settlement Price for Contracts. For each Contract, the Exchange shall publish a daily settlement price and information regarding volume, open interest and opening and closing ranges.

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(d) Notwithstanding the foregoing, the Clearing House Clearinghouse may modify Settlement Prices in its discretion in accordance with Clearing House Clearinghouse Rules.

RULE 907. Clearing Fees

Clearing fees shall be assessed against a Clearing Member or Trading Privilege Holder for each side of a transaction traded on, cleared by or processed through the Clearing House Clearinghouse or by the Trading Privilege Holder as the Clearing House Clearinghouse may from time to time prescribe. Such Clearing Fees may be separate from or incorporated into the Exchange Fees assessed pursuant to Rule 305.

RULE 908. Transfers of Trades

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(e) All transfers shall be reported to the Clearing House Clearinghouse in a form acceptable to the Exchange for the type of transactions involved. The proper indicator must be included in the transfer such that the transactions, including the transaction(s) to reverse an error, clear as transfers. The Clearing Members involved shall maintain a full and complete record of all transactions together with all pertinent memoranda.

RULE 909. Concurrent Long and Short Transactions

Set forth below are the procedures that must be followed for concurrent long and short positions and hold-open accounts.

(a) Concurrent long and short positions in the same commodity and month may be held by a Clearing Member at the direction of a Customer or on behalf of an omnibus account; however it shall be the duty of the Clearing Member to ascertain whether such positions are intended for offset or to be held open prior to final transmission of position data to the Clearing House Clearinghouse.

* * * * *

(c) The Exchange takes no position regarding the internal bookkeeping procedures of its Clearing Members which, for the convenience of a Trading Privilege Holder or Customer, may “hold open” a position only on their books. However, the Clearing Member must accurately report to the Exchange and the Clearing House Clearinghouse, as appropriate, large trader positions, long positions eligible for delivery and open interest.

RULE 910. Substitution

For a Transaction that is both executed and submitted to the Clearing House Clearinghouse in accordance with the rules governing such Transaction, the Clearing House Clearinghouse shall, through the process of novation, be substituted as, and assume the position of, seller to the buyer and buyer to the seller of the relevant number of Contracts once the Transaction is accepted at the Clearing House Clearinghouse

pursuant to the ~~Clearing House~~Clearinghouse Rules and the ~~Clearing House~~Clearinghouse Manual of Operations; provided, however, that the timing of the clearing guarantee for transactions pursuant to Rule 601 (Block Trades), Rule 602 (Exchange of Derivatives for Related Positions), and Rule 908 (Transfers of Trades) shall be subject to terms for privately negotiated trades pursuant to the ~~Clearing House~~Clearinghouse rules.

Upon such substitution, each Clearing Member shall be deemed to have bought the contracts from or sold the contracts to the ~~Clearing House~~Clearinghouse, as the case may be, and the ~~Clearing House~~Clearinghouse shall have all the rights and be subject to all the liabilities of such Clearing Member with respect to such transaction. Such substitution shall be effective in law for all purposes.

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RULE 912. Clearing Member Guarantees and Clearing Corporation Restrictions.

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(d) If the ~~Clearing House~~Clearinghouse restricts the activities of a Clearing Member or suspends a Clearing Member as a Clearing Member of the ~~Clearing House~~Clearinghouse, the Exchange may take action as necessary to give effect to the restriction or suspension. For example, if the ~~Clearing House~~Clearinghouse restricts transactions cleared by a Clearing Member to “closing only” transactions, the Exchange may similarly restrict transactions on the Exchange for clearance by that Clearing Member as a Clearing Member of the ~~Clearing House~~Clearinghouse to “closing only” transactions. Similarly, if the ~~Clearing House~~Clearinghouse suspends a Clearing Member, the Exchange may prevent access and connectivity to the Exchange by the suspended Clearing Member.

(e) If requested to do so by the ~~Clearing House~~Clearinghouse, the Exchange may cancel all Orders in relation to a Clearing Member and all Orders of any Trading Privilege Holder submitted with a FIRM code that is linked to that Clearing Member.

(f) If a Clearing Member’s status as a Clearing Member of the ~~Clearing House~~Clearinghouse or as a Trading Privilege Holder is terminated, all letters of guarantee on file with the Exchange from that Clearing Member shall no longer be valid, effective as soon as the Exchange is able to process the invalidation of these letters of guarantee.

(g) If a Clearing Member has been suspended as a Clearing Member of the ~~Clearing House~~Clearinghouse or as a Trading Privilege Holder, all existing letters of guarantee and authorization from that Clearing Member shall be invalid during the period of the suspension, effective as soon as the Exchange is able to process the invalidation of those letters of guarantee.

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~~CHAPTER 12: SPOT MARKETS~~

~~Introduction and Notice:~~

~~Trading of a spot commodity contract on the Cboe Digital Exchange Spot Markets is facilitated by Cboe Digital Exchange and Cboe Clear Digital, together as “Cboe Digital”, and governed by the Rules of this Chapter (“Spot Rules”). Unless otherwise specified in this Chapter 12, Cboe Digital Exchange Spot Market trades are (i) not subject to the Rules applicable to trading of other contracts offered by Cboe Digital Exchange and (ii) not subject to other Chapters of this Rulebook. Unless otherwise indicated herein, defined terms of this Chapter 12 are included in the Definitions Section of the Cboe Digital Exchange Rulebook effective January 6, 2023.~~

~~DISCLAIMER: CBOE DIGITAL EXCHANGE SPOT MARKETS ARE NOT REGISTERED WITH, OR DESIGNATED, RECOGNIZED, LICENSED OR APPROVED BY THE CFTC.~~

~~RULE 1200. General Provisions~~

- ~~(a) General Provision. The Exchange has adopted these Rules, and from time to time adopts amendments and supplements to these Spot Rules, to promote a free and open market on the Cboe Digital Exchange Spot Markets and to maintain appropriate business conduct. While changes to the Cboe Digital Exchange Rulebook are generally handled by self-certification to the CFTC and concurrent notification to market participants, self-certification is not required for the changes to the Chapter 12 of the Cboe Digital Exchange Rulebook and Participants will be notified of changes to the Spot Rules prior to implementation, unless pursuant to Rule 1203. The staff of the Cboe Digital Exchange Market Regulation Department (“Market Regulation Department”) is responsible for the investigation and imposition of penalties for violations of the Spot Rules.~~
- ~~(b) Incorporation of Exchange Rules. Other provisions of the Cboe Digital Exchange Rulebook effective January 6, 2023 identified in this Chapter 12 (the “Cboe Digital Exchange Rules”) are incorporated by specific reference through this chapter.~~
- ~~(c) Direct Individuals, Direct Firms, Executing Brokers, Guaranteed Direct Members, Professional Trading Firms, and Market Makers, or any Person initiating or executing a transaction on or subject to the Spot Rules directly or through an intermediary, or any person who is authorized to access or utilize Cboe Digital Exchange or Spot Markets (“Participants”) as well as their employees, agents, contractors, and affiliates, are deemed to know, consent to, and be bound by all Spot Rules, the applicable Cboe Digital Exchange Rules, the rules of Cboe Clear Digital, and all terms and conditions contained in all agreements executed or otherwise consented to by the Participant. Following termination of participation, for any reason, former Participants shall be subject to the continuing jurisdiction of the Exchange and the Market Regulation Department including, without limitation, the application of rules related to any conduct that occurred while a Participant for a period of five (5) years.~~
- ~~(d) The Chief Regulatory Officer. It is the duty of the Chief Regulatory Officer of the Market Regulation Department to enforce Spot Rules. The Chief Regulatory Officer has the authority to inspect the books and records of all parties subject to the jurisdiction of Cboe Digital~~

~~Exchange and the authority to require any such party to appear before them and produce books and records and answer questions regarding alleged violations of Spot Rules, at the time, place and in the manner so designated. The Chief Regulatory Officer may also delegate authority to the staff of the Market Regulation Department.~~

~~(e) Definitions. Unless otherwise defined, terms used in this Chapter shall have the meanings ascribed in the Cboe Digital Exchange Rules.~~

~~RULE 1201. Trading Practice and Business Conduct~~

~~(a) Trading System.~~

~~(1) The Cboe Digital Trading System Central Limit Order Book (“CLOB”) uses a Price/Time algorithm (also known as the First In, First Out or FIFO method). Under the Price/Time algorithm, orders will be matched with the earliest bid or offer to arrive in the Cboe Digital Trading System at the best price. If there are multiple bids and offers that have the same price, the earliest to arrive in the Cboe Digital Trading System will be the bid or offer to which the order is matched. If the order exceeds the quantity of the bid or offer, the Participant will be filled at the next, best bid or offer for their order.~~

~~(2) The Cboe Digital Trading System Request for Stream (“RFS”) allows Participants to request quote streams for a desired asset and quantity, and execute orders from bids or offers listed in the streaming quote. Orders executed utilizing RFS are cleared and settled as a block trade, subject to Rule 1206.~~

~~(b) Information Regarding Orders. Exchange will make information available regarding Orders pursuant to Cboe Digital Exchange Rule 410. General Information, notices, and data is available at www.cboedigital.com.~~

~~(c) Business Days and Trading Hours. Except as provided in Rule 1203 with respect to Emergencies, the Exchange shall determine and publish a Notice to Participants listing the Business Days and Holidays of the Exchange and the Trading Hours for each Contract~~

~~(d) General Offenses. **Cboe Digital Exchange Rules 504 – 521 , and 525(a)-(b)(1)-(2)** are applicable to all Participants and Spot Markets. Where the Cboe Digital Exchange Rules in Chapter 5 reference “CEA”, “Act”, and “CFTC Regulations”, such specific references and provisions shall apply to this Chapter 12 only to the extent appropriate to reference authority or jurisdiction over activity in spot commodities or spot trading.~~

~~RULE 1202. Disciplinary Rules~~

~~(a) Jurisdiction and Investigations.~~

~~(i) All Participants are subject to the jurisdiction of Cboe Digital Exchange under **Cboe Digital Exchange Rule 701.**~~

~~(ii) Any investigations of Participants, or initiation of proceedings against a Participant~~

~~with respect to an alleged violation of the Spot Rules will be conducted in accordance with **Cboe Digital Exchange Rules 702-720.**~~

~~(b) Sanctions. If the Market Regulation Department finds that a party, including a Participant, has violated a Spot Rules, the Market Regulation Department may take one or more of the following actions:~~

- ~~(i) Order the party to cease and desist from the conduct found to be in violation of these Rules;~~
- ~~(ii) Restrict, suspend or terminate the party's access to Cboe Digital Exchange Spot Markets;~~
- ~~(iii) Impose a fine upon the party not to exceed \$1,000,000 per violation, in accordance with **Cboe Digital Exchange Rule 715(b)**;~~
- ~~(iv) Order a party to disgorge any monetary benefit resulting from a violation of the Spot Rules whether by that party or another party. For purposes of this provision benefit includes, without limitation, profit, whether realized or unrealized, and avoided losses;~~
- ~~(v) Prescribe limitations on transactions of the party as may be appropriate;~~
- ~~(vi) Order a party to make restitution to the account of anyone damaged by the conduct;~~
- ~~(vii) Order a party or its legal counsel or other representative to pay out of pocket expenses incurred by the Market Regulation Department in connection with the matter if such party or counsel engaged in vexatious, frivolous or bad faith conduct during the course of an investigation or enforcement proceeding; and/or~~
- ~~(viii) Order such action as is necessary to prevent a threat to the contract or violation of these Rules.~~

~~(c) Summary Imposition of Fines.~~

- ~~(i) The Chief Regulatory Officer may summarily impose a fine against a Participant or any employees, agents, contractors, and affiliates for:
 - ~~(1) Failing to make timely payments of fees, cost, charges or fines to the Exchange or the Clearing House;~~
 - ~~(2) Failing to make timely and accurate submissions to the Exchange of notices, reports or other information required by the Spot Rules or Cboe Digital Exchange Rules; and~~
 - ~~(3) Failing to keep any books and records required by the Cboe Digital Exchange Rules.~~~~
- ~~(ii) The Market Regulation Department, acting on behalf of the Chief Regulatory Officer, will give notice of any fine imposed pursuant to this Rule to each Participant thereto. The notice will specify:
 - ~~(1) the violations of the Cboe Digital Spot or Cboe Digital Exchange Rules for which the fine is being imposed;~~
 - ~~(2) the date of the violation for which the fine is being imposed; and,~~
 - ~~(3) the amount of the fine.~~~~
- ~~(iii) Within 20 days of serving the notice of fine, the Participant must either pay or cause the payment of the fine or file notice of an appeal pursuant to **Cboe Digital**~~

~~**Exchange Rule 716.** Unless timely notice of appeal is filed pursuant to **Cboe Digital Exchange Rule 716**, the fine will become final upon the expiration of 20 days after the notice of fine is served on the Participant.~~

- ~~(iv) The Exchange will set the amount of any fines imposed pursuant to this Rule, with the maximum fine for each violation not to exceed \$10,000. Summary imposition of fines pursuant to this Rule will not preclude the Exchange from bringing any other action against the Participant, or any of its employees, agents, contractors, and affiliates, as the case may be.~~

~~**RULE 1203. Emergency Actions**~~

~~(a) The Chief Regulatory Officer, or his designee, is authorized to determine whether an emergency exists and whether emergency action is warranted. The following events and/or conditions may constitute emergencies:~~

- ~~(i) Any actual, attempted, or threatened market manipulation;~~
- ~~(ii) Any actual, attempted, or threatened corner, squeeze, congestion, or undue concentration of positions;~~
- ~~(iii) Any action taken or considered by the United States or any foreign government or any state or local government body, any other contract market, board of trade, or any other exchange or trade association (foreign or domestic), which may have an impact on trading on Cboe Digital Exchange Spot Markets;~~
- ~~(iv) The actual or threatened bankruptcy or insolvency of any Participant or the imposition of any injunction or other restraint by any government agency, self-regulatory organization, court or arbitrator upon a Participant which may affect the ability of that Participant to perform on its contracts;~~
- ~~(v) Any circumstance in which it appears that a Participant or any other Person or entity has failed to perform contracts or is in such financial or operational condition or is conducting business in such a manner that such Person or entity cannot be permitted to continue in business without jeopardizing the safety of Participants or Cboe Digital Exchange Spot Markets;~~
- ~~(vi) Any other circumstance which may have a severe, adverse effect upon the functioning of Cboe Digital Exchange Spot Markets.~~

~~(b) In the event that the Chief Regulatory Officer determines, in good faith and in consultation with the Chief Executive Officer and Chief Operating Officer, that an emergency exists, he may take any of the following emergency actions or any other action that may be appropriate to respond to the emergency:~~

- ~~(i) Suspend, curtail or terminate trading in any or all Contracts;~~
- ~~(ii) Restrict, suspend or terminate a party's access to the Spot Markets and/or Cboe Digital Exchange;~~
- ~~(iii) Modify the trading days or hours;~~
- ~~(iv) Modify conditions of delivery; and/or~~
- ~~(v) Order any other action or undertaking to address or relieve the emergency.~~

~~(c) The Market Regulation Department shall give appropriate notice of such action. As soon as~~

~~practicable, the Market Regulation Department will make any notifications of such emergency actions as required by the Cboe Digital Exchange Rules.~~

~~(d) Trade Cancellations and Price Adjustments. Cboe Digital Exchange has authority to adjust trade prices or cancel (bust) trades when such action is necessary to mitigate market disrupting events caused by the improper or erroneous use of the Cboe Digital Trading System or by system defects. Notwithstanding any other provisions of this Rule, the Exchange may adjust trade prices or bust any trade if the Exchange determines that allowing the trade to stand as executed may have a material, adverse effect on the integrity of the market. All decisions of the Exchange shall be final.~~

~~————(i) Review of Trades~~

~~(1) The Exchange may determine to review a trade based on its independent analysis of market activity or upon request for review by a Participant. A request for review must be made within 15 minutes of the execution of the trade.~~

~~(2) The Exchange shall determine whether or not a trade will be subject to review. In the absence of a timely request for review, during volatile market conditions, upon the release of significant news, or in any other circumstance in which the Exchange deems it to be appropriate, the Exchange may determine, in its sole discretion, that a trade shall not be subject to review.~~

~~————(ii) Price Adjustments and Cancellations~~

~~(1) In reviewing a trade, the Exchange will first determine whether the trade price is within the No Bust Range for spot transactions described in Rule 1203(h).~~

~~(2) In applying the No Bust Range, the Exchange shall determine the fair value market price for that contract at the time the trade under review occurred (“Price”). The Exchange may consider any relevant information, including, but not limited to, the last trade price in the contract or a better bid or offer price on the Cboe Digital Trading System, a more recent price for a different maturity date, the price of the same or related contract established in another venue or another market, or the market conditions at the time of the trade.~~

~~(iii) Trade Price Inside the No Bust Range. If the Exchange determines that the price of the trade is inside the No Bust Range, the Exchange will not bust the trade.~~

~~(iv) Trade Price Outside the No Bust Range. If the Exchange determines that a trade price is outside the No Bust Range for a Contract, the trade price shall be adjusted to a price that equals the fair value market price for that contract at the time the trade under review occurred, plus or minus the No Bust Range. In the event there are multiple parties, prices and/or contracts involved in the transactions at issue, the Exchange has the authority, but not the obligation, to bust rather than price adjust such transactions. The Exchange will issue an alert regarding its decision.~~

~~(v) Busted trade prices and any prices that have been adjusted shall be cancelled in the Exchange’s official record of time and sales. Trades that are price adjusted shall be inserted in the time and sales record at the adjusted trade price.~~

~~(e) Alternative Resolution by Agreement of Parties~~

~~(i) With the approval of the Exchange, parties to a trade that is price adjusted may instead mutually agree to cancel the trade.~~

~~(ii) With the approval of the Exchange, parties to a trade that is busted may instead mutually~~

~~agree to price adjust the trade to a price consistent with the adjustment provisions of this Rule.~~

~~(iii) With the approval of the Exchange, parties to a trade that is cancelled or price adjusted may mutually agree to a cash adjustment provided that such adjustments are reported to the Exchange and the parties maintain a record of the adjustment.~~

~~(iv) An executed trade may not be reversed via transfer except where such trade is determined by Exchange to be outside of the No Bust Range but not reported timely, subject to agreement of the parties and approval of the Exchange. Any such transfer must occur at the original trade price and quantity; however, the parties may mutually agree to a cash adjustment.~~

~~(f) Liability for Losses Resulting from Price Adjustments or Cancellations~~

~~(i) A party entering an order that results in a price adjustment or trade bust shall be responsible for demonstrated claims of realized losses incurred by persons whose trade prices were adjusted or busted provided, however, that a claimant shall not be entitled to compensation for losses incurred as a result of the claimant's failure to take reasonable actions to mitigate the loss.~~

~~(ii) A claim for a loss pursuant to this section must be submitted to the Exchange in a manner acceptable to the Exchange within one business day of the event giving rise to the claim. The Exchange will reject any claim that is not filed in a timely manner and such decisions shall be final. Eligible claims shall be forwarded by the Exchange to the party responsible for the order(s) that resulted in a trade bust or a price adjustment. Such party shall, within ten business days of receipt of the claim, admit or deny responsibility in whole or in part. Failure to respond to the claim within ten business days shall be considered a denial of liability.~~

~~(iii) To the extent that liability is admitted, payment shall be made within ten business days. Unless otherwise agreed upon in writing by the parties, failure to make the payment within ten business days shall be considered a denial of liability for purposes of this rule. A copy of any such written agreement must be provided to the Exchange.~~

~~(iv) To the extent that liability is denied, the party making the claim may submit the claim for arbitration pursuant to Rule 1207 of the Spot Rules. Such claims must be submitted to the Exchange within ten business days of the date the party was issued notification that liability was denied.~~

~~(g) Schedule of Administrative Fees~~

~~(i) When Exchange busts or price adjusts a trade, the party responsible for entering the order into the Cboe Digital Trading System that gave rise to the trade bust or price adjustment shall pay an administrative fee to the Exchange in the amount of \$500 for each such occurrence.~~

~~(h) No Bust Ranges:~~

| | |
|------------------------|--|
| (i) Product | (ii) No Bust Range (from Price determined by Exchange under Spot Rule 1203(d)(ii)(2)) |
| (iii) BTC | (iv) 1% |
| (v) ETH | (vi) 1% |
| (vii) LTC | (viii) 1% |

RULE 1204. Trading Qualifications

- ~~(a) Criteria for Becoming a Participant. In order to be admitted as Participant on the Exchange to trade Spot Markets, an applicant must be in good standing as a Direct Individual, Direct Firm, Executing Broker, Professional Trading Firm, or Market Maker (“Participant Classification”) with the Clearing House, and must satisfy the eligibility requirements for the applicable Participation Classification identified in Rule 1204(d).~~
- ~~(b) Additional Requirements. The Exchange may establish additional eligibility requirements for all Participants or specific Participants, in the event that the Exchange deems it in the best interest of the Exchange, Market, or other Participants.~~
- ~~(c) Participant Eligibility. The Exchange will deny, condition, or terminate any Participant’s eligibility, or take any other actions deemed appropriate if, in the sole discretion of the Exchange:~~
- ~~(i) The Participant is unable to satisfactorily demonstrate its compliance with additional eligibility requirements established in accordance with Rule 1204(b);~~
 - ~~(ii) The Participant is unable to satisfactorily demonstrate its compliance with Participation Classification Requirements identified in Rule 1204(d);~~
 - ~~(iii) The Participant is unable to satisfactorily demonstrate its capacity to adhere to all applicable Rules;~~
 - ~~(iv) The Participant would bring the Exchange into disrepute; or~~
 - ~~(v) The Participant is acting in a manner detrimental to the welfare of the Market, Exchange, or Other Participants.~~
- ~~(d) Participant Classification Requirements. Applicants that are admitted as Participants must demonstrate compliance with the applicable Participant Classification requirements:~~
- ~~(i) Direct Individuals or Direct Firms must:
 - ~~(1) not be a Professional Trading Firm; and~~~~
 - ~~(ii) Executing Brokers must:
 - ~~(1) be processing orders with client where the firm is trading as a principal;~~~~
 - ~~(iii) Guaranteed Direct Members must:
 - ~~(1) be Direct Individuals or Direct Firms; and~~
 - ~~(2) have all trades and activity related to the Contracts guaranteed by, in a manner and form acceptable to the Exchange in its sole discretion, another Participant or other third-party.~~~~
 - ~~(iv) Professional Trading Firms must:
 - ~~(1) certify that it has substantial trading and exchange connectivity management experience; and~~
 - ~~(2) provide evidence of such experience to the Exchange upon reasonable notice.~~~~
 - ~~(v) Market Makers must:
 - ~~(1) be Professional Trading Firms; and~~
 - ~~(2) must have entered into a market making agreement with the Exchange.~~~~

- ~~(e) Admission Process. Applicants shall be deemed to have been admitted as Participants upon entering into applicable agreements with the Exchange and the Clearing House, and satisfaction of the requirements listed in Rule 1204(a) – (d) (“Requirements”). The Chief Regulatory Officer and the Market Regulation Department will be responsible for determining whether an applicant has satisfied the applicable Requirements.~~
- ~~(f) Fees. Participants will be subject to fees in accordance with the rates specified by the Exchange, subject to their Participant Classification.~~
- ~~(g) Audit by Exchange. The Market Regulation Department may request information from the Participant at any time to confirm the Participant’s compliance with the applicable Participant Classification requirements.~~

~~RULE 1205. Clearing, Settlement, and Delivery~~

- ~~(a) Clearing of Contracts. All Contracts shall be cleared through the Clearing House in accordance with the Clearing House Rules and in conformity with the Exchange rules specifically provided in this Chapter 12.~~
- ~~(b) Settlement Prices. The Contracts will settle in accordance with the methodology specified in the Spot Contract Specifications contained in Rule 1210.~~
- ~~(c) Minimum Trade Increment. The Contracts shall be subject to minimum order sizes as specified in the Spot Contract Specifications.~~

~~RULE 1206. Block Trading~~

- ~~(a) The Exchange shall designate the Contracts in which block trades shall be permitted, the minimum quantity thresholds for such transactions, and all other rules pertaining to Block Trading of Contracts.~~
- ~~(b) Block Trade Specifications
 - ~~(i) A block trade must be for a quantity that is at or in excess of the applicable minimum size, as specified in the Block Trading Specification Table in Rule 1206(h). Orders may not be aggregated in order to achieve the minimum transaction size.~~
 - ~~(ii) Multi-legged block trades may be executed as block trades, provided that each of the Contract legs of the resultant block trade meets the prescribed Minimum Block Size for that Contract.~~~~
- ~~(c) Block Trade Prices. The price at which a block trade is executed must be fair and reasonable in light of:
 - ~~(i) the size of the block trade;~~
 - ~~(ii) the prices and sizes of other transactions in the same contract at the relevant time;~~
 - ~~(iii) the prices and sizes of transactions in other relevant markets, including without limitation the related underlying cash or futures markets, at the relevant time; and~~
 - ~~(iv) the circumstances of the markets or the Participants to the block trade.~~~~

~~(d) Additional Provisions and Requirements.~~

- ~~(i) Each party to a block trade must be a Participant.~~
- ~~(ii) Block trades shall not set off conditional orders (e.g., Stop Orders and MIT Orders) or otherwise affect orders in the regular market.~~
- ~~(iii) Block Trades may only be executed during Cboe Digital Exchange Spot Market trading hours.~~
- ~~(iv)~~
- ~~(v)~~

~~(e) One of the Participants or the broker of one of the Participants to the block trade must ensure that each block trade is reported to the Exchange within the time limit set forth below:~~

- ~~(i) All block trades must be executed and reported to the Exchange on the same trade date; and~~
- ~~(ii) All block trades must be reported within fifteen (15) minutes of the transaction or prior to the end of the trade date, whichever is sooner.~~
- ~~(iii)~~

~~(f) Reporting Requirements. A block trade reported to the Exchange must include the information related to the block trade specified by the Exchange, including identification of parties to the block trade; product details, trade quantity, price, time, and account number(s) or Clearing Firm(s), as applicable.~~

~~(g) Finality at Clearing. Block trades are not considered final or binding until they have been accepted by the Clearing House.~~

~~(h) Products designated for Block Trades can be seen on the Cboe Digital website at <https://www.cboedigital.com/product/digital-assets/>.~~

~~RULE 1207. Arbitration~~

~~(a) Mandatory Arbitrations. Disputes between and among Participants relating to or arising out of any transactions subject to the Spot Rules or claims by Participants against the Exchange or Clearing House related to the Spot Markets are subject to mandatory arbitration in accordance with the Rules of this Chapter. The Market Regulation Department may establish any procedures not otherwise contemplated by these Rules necessary to establish a just, equitable and efficient method of resolving a particular dispute.~~

~~(b) Waiver of Objection to Jurisdiction. Any party who submits a claim or grievance to arbitration shall be conclusively presumed to have voluntarily recognized and agreed to the jurisdiction of the arbitration panel to hear and determine the claim. A Participant who~~

~~submits a claim for arbitration in accordance with these Rules consents thereby to the jurisdiction of the arbitrators and agrees to the arbitration of any counterclaims, cross-claims or third party claims by any respondent which arise out of the transaction that is the subject of the customer's claim. The claim shall comply with the requirements of this Rule.~~

~~(c) Appointment of Arbitration Panel. Any arbitration shall be heard by an Arbitration Panel selected by the Market Regulation Department for the purpose of hearing and deciding a dispute. The Market Regulation Department may select any individual possessing, in the discretion of the Market Regulation Department, the requisite knowledge and temperament to serve on an Arbitration Panel.~~

~~(d) Request to Remove an Arbitrator.~~

- ~~(i) Each party may request the removal of any arbitrator(s) from a panel for good cause shown. Such request must be made at least 7 days before the start of the first scheduled hearing. Failure of a party to timely request the removal of any arbitrator(s) will be deemed a waiver of that party's right to any further objection to the arbitrator's participation in the hearing and decision of the dispute.~~
- ~~(ii) The Market Regulation Department, after considering a request to remove an arbitrator, another party's objections thereto and/or the statements of an arbitrator whose removal is sought, may deny the request or excuse the arbitrator. The decision shall be final and may not be appealed.~~
- ~~(iii) If an arbitrator is excused prior to the date of the first scheduled hearing, the Market Regulation Department shall select another arbitrator to replace the excused arbitrator at the hearing. Parties may make any appropriate request for the removal of the replacement arbitrator under this Rule.~~
- ~~(iv) If an arbitrator is excused on or after the date of the first scheduled hearing, the dispute may, at the election of the non-requesting party and with the consent of the Market Regulation Department be heard and decided by the remaining arbitrators.~~

~~(e) Initiating an Arbitration Claim.~~

- ~~(i) In the event that a complaint is received it shall be referred to the Market Regulation Department, which shall, when appropriate, forward to the complainant a Consent Form for arbitration under this Rule. Such form shall inform the claimant, by attachment of all pertinent Rules, of his or her rights and obligations, including costs associated with arbitration. A claimant may initiate a claim by submitting a written description of the dispute along with the arbitration fee (as determined by the Market Regulation Department) with the Market Regulation Department within the period of eligibility for arbitration claims. The written claim shall include a clear description of the facts and circumstances involved in the dispute, including the transaction(s) or agreement(s) complained of, the names of the Persons and firms alleged to be responsible for any loss to the claimant, the dates of all acts or omissions relevant to the claim, a detailed calculation of the amount claimed and any other information necessary to fully describe the dispute. In the case of a request for punitive damages, the claim shall set forth the facts the party intends to present in support of the claim that the misconduct was willful and wanton. The Market Regulation Department shall reject for filing any claim that does not fully describe the dispute, is clearly filed after the period of eligibility has expired or is clearly not arbitrable under this Rule. Such a claim will be promptly returned to the filing party with a notice describing the deficiency. A claimant seeking to correct the deficiency and file an amended claim may do so within 30 days of receiving notice describing the~~

deficiency despite any expiration of the period of eligibility prescribed by this Rule during that 30-day period. The acceptance for filing by the Market Regulation Department shall not preclude a challenge to the arbitrability of the claim nor create a presumption that the claim is arbitrable.

- (ii) Notice shall then be given by the Market Regulation Department to the party against whom the claim is asserted, who shall respond to the claim in accordance with this Rule.

~~(f) Answering an Arbitration Claim~~

- (i) Each respondent shall file a written response within twenty one (21) days after receipt of the written claim. However, if a party has timely filed a challenge to the arbitrability of the dispute, its response shall be due twenty one (21) days after receipt of the written decision confirming the arbitrability of the dispute. The written answer must admit the claim or describe the respondent's basis for denying liability to the claimant(s). The answer may include an admission or denial of each specific allegation contained in the claim and/or the respondent's narrative description of the facts and circumstances involved in the dispute. A respondent may assert in an answer any defense that would be available in a court of law or equity, including any affirmative defense.

- (g) Failure to Answer. A respondent's unexcused failure to file a timely answer shall constitute an admission of the facts alleged in a claim.

- (h) Counterclaims, Cross-Claims and Third-Party Claims. A respondent may assert any counterclaim, cross-claim and/or third-party claim to the extent such claim would be allowable as an original claim under these Rules. Each respondent must file any counterclaim, cross-claim or third-party claim at the same time an answer to a claim is due. Initiating counterclaims, cross-claims, third-party claims and answers thereto shall conform to the requirements for initiating and answering original claims. A respondent who believes that another Participant may have a claim to any money or property which is the subject of a dispute in arbitration and that the failure of that other Participant to assert a claim in the pending arbitration could prejudice the interests of the respondent may submit a request to the Market Regulation Department to compel the participation of the other Participant. If a Participant fails to file such claim after being ordered to assert that claim in the pending arbitration, then notwithstanding any other Rule, that Participant shall be barred from asserting in the future any claim against the respondent that is based on the same transaction, occurrence or subject.

- (i) Review of Arbitrability. Any party may file a challenge to the arbitrability of a dispute submitted for arbitration under this Rule. A party's failure to file a timely challenge to arbitrability shall waive any right to object thereafter to the arbitrability of the dispute. A challenge to arbitrability by a claimant must be filed no later than 5 days after the claim is submitted for arbitration. A challenge to arbitrability by a respondent must be filed no later than 10 days after the respondent has received notice of the claim. The request must be in writing and state the reasons why the dispute is not arbitrable. Any other party may file a written response in support of or opposition to the challenge no later than 10 days after receiving notice of the challenge to arbitrability. The Market Regulation Department may decide the arbitrability of a dispute based on his consideration of the written submissions of the parties. The Market Regulation Department's decision shall be final and is not appealable.

~~(j) Consolidation of Arbitration Disputes. If the Market Regulation Department receives notice that two or more arbitration disputes are related, the Market Regulation Department may order that any or all of the disputes be consolidated for purposes of conducting a hearing on the disputes. In determining whether to consolidate the disputes the Market Regulation Department may consider the efficiencies of consolidation as well as the burdens and benefits to the parties in consolidating the disputes.~~

~~(k) Withdrawal of Claims~~

~~(i) A party may voluntarily withdraw its claim, counterclaim, cross-claim or third-party claim without prejudice at any time before an answer thereto has been filed by notifying the Market Regulation Department in writing of such withdrawal.~~

~~(ii) After an answer to any claim, counterclaim, cross-claim or third-party claim has been filed, the claimant seeking to withdraw the claim, counterclaim, cross-claim or third-party claim must submit to the Market Regulation Department a written request to withdraw with prejudice or upon such terms and conditions as may be imposed by the Market Regulation Department. A withdrawal under this Rule shall bar the claimant from re-filing any claim based on the same acts, transactions or omissions as the dismissed claim.~~

~~(l) Period of Eligibility for Arbitration. An arbitration must be initiated within one year of the date the claimant knew or should have known of the dispute on which the claim is based. Counterclaims, cross-claims and third-party claims must be submitted no later than the date on which the answer is due.~~

~~(m) Parallel Proceedings. No claim will be accepted for arbitration if the Market Regulation Department receives notice that another arbitration or civil court proceeding based on the same act, transaction or omission as the arbitration claim is pending at the time of filing. No claim, counterclaim, cross-claim or third-party claim will be accepted for arbitration against a respondent if the Market Regulation Department has received notice that a stay exists due to the pendency of any bankruptcy proceeding against that respondent. If such a stay arises after a claim is accepted for arbitration or if the Market Regulation Department subsequently learns that such a stay is pending, the claim shall be dismissed without prejudice as to each respondent who is the subject of the stay. Nothing in this Rule shall prevent a claim in arbitration from proceeding against any remaining respondent.~~

~~(n) Requests for Documents, Information or Testimony~~

~~(i) The initial schedule for document requests by parties and responses will be set by the Market Regulation Department. The Market Regulation Department may require any Participant or any Person employed by or associated with a Participant to produce relevant documents in his possession or control at any time after a claim has been filed. Upon the failure of a party or Participant to voluntarily produce relevant documents in its possession or control upon request by a party, the party seeking the documents may submit a written request to the Market Regulation Department for an order compelling the production of such documents. Any request for an order compelling production of documents must (1) identify each document or type of document sought with as much specificity as possible; (2) explain the relevance of each document or type of document sought; and (3) include a representation that the requesting party has attempted to obtain the documents from the responding party before resorting to a request to the Market Regulation Department.~~

- ~~(ii) The party or Participant against whom an order compelling production is sought shall (1) produce copies of the requested documents to the requesting party and the Market Regulation Department; or (2) represent in writing that the documents are not in his possession or control and explain the basis for such representation, and, if applicable, identify who is in possession or control of the requested documents; or (3) object in writing to a request and provide the basis for each objection.~~
 - ~~(iii) The Market Regulation Department may require any Participant, or any Person employed by or associated with a Participant, to appear and to testify at a hearing.~~
 - ~~(iv) Whenever such production or appearance results from the request of a party, all reasonable costs and expenses incurred shall be borne by the party making the request, unless directed otherwise by the panel. A party who incurs costs and expenses recoverable under this Rule may, no later than the close of the last hearing date in the matter, submit an application to the panel for such costs and expenses. Such application shall contain a detailed explanation of amounts claimed. The panel may grant or deny all or any portion of the application.~~
 - ~~(v) Any Participant or employee thereof failing to appear, testify or produce documents in accordance with this Rule may be charged with a violation of the Cboe Digital Exchange Spot Rules and may be subject to disciplinary actions under Rule 1202(B).~~
- ~~(c) Documents and Witnesses to be Presented at Hearing. No later than 10 business days prior to the first scheduled hearing, each party must provide every other party and the Market Regulation Department with copies of all documents that the party intends to offer into evidence and a list of the names of all witnesses, including party-witnesses, who the party intends to call at the hearing in support of a claim or defense. Parties are not required under this Rule to provide copies of those documents that they may use, or to identify any witnesses whom they may call, only in cross-examination or rebuttal.~~

~~RULE 1208. Recordkeeping~~

- ~~(a) Participants must keep full and complete records, whether electronic or otherwise, and all pertinent data and written material, of all transactions relating to Cboe Digital Spot Contracts. Written and electronic records must be retained for a minimum of seven years in permanent form. Oral communications between Participants and their customers must be recorded and must be retained for a minimum of one year past the date on which the oral communication occurred. All records required to be retained shall at all times be open to inspection by the Market Regulation Department or Exchange staff.~~
- ~~(b) A Participant shall not be in violation of Cboe Digital Exchange Rule 515 if the Participant's pre-programmed algorithms access the Cboe Digital Trading System tied to the same user _____ login, so long as the Participant is able to provide an appropriate audit trail upon request of the Exchange that identifies for each order the submitting algorithm, system, or human intervenor (when human intervention is necessary).~~

~~RULE 1209. Limitation of Liability~~

~~(a) EXCEPT AS PROVIDED BELOW, CBOE DIGITAL, LLC, INCLUDING THE CBOE DIGITAL SPOT MARKETS (THE "EXCHANGE"), ITS RESPECTIVE SUBSIDIARIES AND AFFILIATES, ITS AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONSULTANTS, LICENSORS, MEMBERS, AND PARTICIPANTS (THE "EXCHANGE PARTIES") SHALL NOT BE LIABLE TO ANY PERSON FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES (INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF USE, AND DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES), ARISING FROM:~~

- ~~(i) ANY FAILURE, MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION, TERMINATION, OR ANY OTHER CAUSE, IN CONNECTION WITH THE PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF ANY OF THE SYSTEMS AND SERVICES OF THE EXCHANGE OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS AND SERVICES, INCLUDING WITHOUT LIMITATION ELECTRONIC ORDER ENTRY/DELIVERY, TRADING THROUGH ANY ELECTRONIC MEANS, ELECTRONIC COMMUNICATION OF MARKET DATA OR INFORMATION, PRICE REPORTING SYSTEMS AND ANY AND ALL TERMINALS, COMMUNICATIONS NETWORKS, CENTRAL COMPUTERS, SOFTWARE, HARDWARE, FIRMWARE AND PRINTERS RELATING THERETO; OR~~
- ~~(ii) ANY FAILURE OR MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION OR TERMINATION, OR ANY OTHER CAUSE, OF ANY SYSTEM OR SERVICE OF THE EXCHANGE OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, CAUSED BY ANY THIRD PARTIES INCLUDING, BUT NOT LIMITED TO, INDEPENDENT SOFTWARE VENDORS AND NETWORK PROVIDERS; OR~~
- ~~(iii) ANY ERRORS OR INACCURACIES IN INFORMATION PROVIDED BY THE EXCHANGE OR ANY EXCHANGE SYSTEMS, SERVICES OR FACILITIES; OR~~
- ~~(iv) ANY UNAUTHORIZED ACCESS TO OR UNAUTHORIZED USE OF ANY EXCHANGE SYSTEMS, SERVICES OR FACILITIES BY ANY PERSON.~~

~~(b) THE FOREGOING LIMITATION OF LIABILITY SHALL APPLY WHETHER A CLAIM ARISES IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, CONTRIBUTION OR OTHERWISE AND WHETHER THE CLAIM IS~~

~~BROUGHT DIRECTLY OR AS A THIRD PARTY CLAIM. A PARTY WHO HAS BEEN FINALLY ADJUDICATED TO HAVE ENGAGED IN WILLFUL OR WANTON MISCONDUCT MAY NOT AVAIL ITSELF OF THE PROTECTIONS IN THIS RULE.~~

~~(c) THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS (INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR USE) PROVIDED BY THE EXCHANGE PARTIES, RELATING TO ANY SYSTEMS OR SERVICES OF THE EXCHANGE OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES.~~

~~(d) ANY DISPUTE ARISING OUT OF THE USE OF SYSTEMS OR SERVICES OF THE EXCHANGE PARTIES OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES OF THE EXCHANGE PARTIES SHALL BE ARBITRATED PURSUANT TO THESE SPOT RULES. ANY ARBITRATION SHALL BE BROUGHT WITHIN THE PERIOD PRESCRIBED BY THE SPOT RULES. ANY OTHER ACTIONS, SUITS OR PROCEEDINGS AGAINST ANY OF THE ABOVE MUST BE BROUGHT WITHIN TWO YEARS FROM THE TIME THAT A CAUSE OF ACTION HAS ACCRUED. THIS PARAGRAPH D SHALL IN NO WAY BE CONSTRUED TO LIMIT A PARTY'S OBLIGATION TO ARBITRATE ITS CLAIM OR TO CREATE A CAUSE OF ACTION AND SHALL NOT AUTHORIZE AN ACTION THAT WOULD OTHERWISE BE PROHIBITED BY SPOT RULES. IF FOR ANY REASON, A COURT OF COMPETENT JURISDICTION FINDS THAT SUCH DISPUTE IS NOT ARBITRABLE, SUCH DISPUTE MAY ONLY BE LITIGATED IN THE COUNTY OF COOK IN THE STATE OF ILLINOIS AND WILL BE GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS WITHOUT REGARD TO ANY PROVISIONS OF ILLINOIS LAW THAT WOULD APPLY THE SUBSTANTIVE LAW OF A DIFFERENT JURISDICTION, UNLESS OTHERWISE REQUIRED BY STATE LAW,.~~

~~(e) THE EXCHANGE ASSUMES RESPONSIBILITY FOR DIRECT, OUT-OF-POCKET LOSSES DIRECTLY CAUSED BY THE GROSS NEGLIGENCE OF EXCHANGE STAFF. IF SUCH LIABILITY IS ACCEPTED, THE TOTAL AGGREGATE OBLIGATIONS FOR THE EXCHANGE PARTIES SHALL NOT EXCEED \$200,000 FOR ALL LOSSES SUFFERED FROM ALL CAUSES PER INSTANCE, ALLOCATED AMONG THE PARTIES AFFECTED. ANY DISPUTED CLAIM MADE UNDER THIS RULE MUST BE ARBITRATED PURSUANT TO THE SPOT RULES.~~

~~RULE 1210. Spot Contract Specifications~~

- ~~(a) Spot Contract Specifications. Spot contract specifications are published on the Cboe Digital website at <https://www.orisx.com/product/digital-assets/>. The Exchange shall publish notice pursuant to Rule 309 with respect to any updates to the spot contract specifications.~~

- ~~(b) Settlement Methodology. Trades in the Spot Contracts settle at the time of the trade. The Exchange will publish a closing price to be used for the purpose of calculating liquidating values for Participant accounts.~~