



August 27, 2025

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

Re: Cboe Futures Exchange, LLC Rule Certification  
Submission Number CFE-2025-020

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Regulation 40.6(a) promulgated by the Commodity Futures Trading Commission (“CFTC” or “Commission”) under the Act, Cboe Futures Exchange, LLC (“CFE” or “Exchange”) hereby submits a CFE rule amendment (“Amendment”) to make a clarification to its rules regarding the daily settlement price determination process for Financially Settled Bitcoin (“FBT”) and Financially Settled Ether (“FET”) futures. Exhibit 1 to this submission sets forth the rule changes included in the Amendment. The Amendment will become effective on September 11, 2025.

CFE Rules 2002(r) (Daily Settlement Price) for FBT futures and 2102(r) (Daily Settlement Price) for FET futures provide for a four-step hierarchy for determining the daily settlement price of an FBT futures contract and FET futures contract, respectively. The first three steps in the hierarchy consist of (i) a volume-weighted average price (“VWAP”) determination based on the futures transactions during a 60-second measurement interval; (ii) a time-weighted average price (“TWAP”) determination based on best bid and best offer midpoints during a 60-second measurement interval; (iii) an index value at the daily settlement time adjusted by the difference between that index value at the daily settlement time on the preceding business day and the daily settlement price of the relevant futures contract on the preceding business day. Under the fourth step of the hierarchy, the Exchange may in its sole discretion establish a daily settlement price for an FBT or FET futures contract, as applicable, that it deems to be a fair and reasonable reflection of the market under certain conditions.

The Amendment clarifies the index value that is referenced in CFE Rule 2002(r)(iv) and CFE Rule 2102(r)(iv) as part of the third step in the hierarchy for determining the daily settlement price of an FBT futures contract or FET futures contract, respectively. Specifically, CFE is revising the current references in CFE Rule 2002(r)(iv) to the Cboe Kaiko Bitcoin Rate (“CKBR”) Index to refer to the Cboe Kaiko Bitcoin Real-Time Rate (“CKBRT”) and is revising the current references in CFE Rule 2102(r)(iv) to the Cboe Kaiko Ether Rate (“CKER”) Index to refer to the Cboe Kaiko Ether Real-Time Rate (“CKERT”). The Cboe Kaiko Bitcoin Index and Cboe Kaiko Ether Index each have a real-time rate (the CKBRT and CKERT, respectively) and an hourly rate (the CKBR and CKER, respectively). Therefore, the CKBRT and CKERT are calculations of the same indexes as the CKBR and CKER, respectively, comprised of the same underlying constituent exchanges and using the same methodology, only calculated at different intervals. The CKBRT and CKERT are calculated every five seconds using

a 10-second lookback window, and the CKBR and CKER are calculated every hour using an hour lookback window. The index rates on which the final settlement values of FBT and FET futures are based which will continue to be the CKRB and CKER, respectively, and no changes are being made to CFE rules in that regard.

These clarifications better reflect how CFE applies the third step in the hierarchy of the daily settlement price determination process for FBT and FET futures, which is based on a differential between two values of either the CKBRT and CKERT, respectively, at the daily settlement time for an FBT or FET futures contract on two consecutive business days. CFE believes that the values of the CKBRT and CKERT are appropriate values to continue to use as part of the third step of the hierarchy for determining daily settlement prices for FBT and FET futures because the CKBRT and CKERT are more reflective of the market price of bitcoin and ether, respectively, at the daily settlement time than the CKRB and CKER given the shorter measurement interval of the CKBRT and CKERT prior to the daily settlement time which is 10 seconds instead of one hour. Additionally, the measurement intervals of the CKBRT and CKERT more closely align with the measurement intervals used in the first and second steps of the hierarchy than the measurement intervals of the CKBR and CKER.

CFE believes that the Amendment is consistent with the Designated Contract Market (“DCM”) Core Principles under Section 5 of the Act. In particular, CFE believes that the Amendment is consistent with:

- DCM Core Principle 7 (Availability of General Information) because the Amendment clarifies in CFE’s rules the manner in which daily settlement prices are determined for FBT and FET futures;
- DCM Core Principle 8 (Daily Publication of Trading Information) in that daily settlement prices for all CFE products, including FBT futures and FET futures, will continue to be provided to the Commission and made available publicly on a daily basis on CFE’s website consistent with Commission Regulation 16.01;
- DCM Core Principle 9 (Execution of Transactions) in that the use of the CKBRT and CKERT in the third step of the hierarchy of the daily settlement price determination process for FBT and FET futures provides for the use of index values in that step of the hierarchy that are reflective of the market price of bitcoin and ether measured over a time interval that is close in time to the daily settlement time for these products and thus contributes to the provision by CFE of a competitive, open, and efficient market and mechanism for executing transactions that protects the price discovery process of trading on CFE’s centralized market; and
- DCM Core Principle 12 (Protection of Markets and Market Participants) because CFE has rules that include prohibitions against market manipulation and fraudulent, non-competitive, and disruptive trading practices that apply to trading activities on CFE and related conduct, including during a closing period when a daily settlement price is being determined.

CFE believes that the impact of the Amendment will be beneficial to the public and market participants. CFE is not aware of any substantive opposing views to the Amendment. CFE hereby certifies that the Amendment complies with the Act and the regulations thereunder. CFE further certifies that CFE has posted a notice of pending certification with the Commission and a copy of this submission on CFE’s website ([http://www.cboe.com/us/futures/regulation/rule\\_filings/cfe/](http://www.cboe.com/us/futures/regulation/rule_filings/cfe/)) concurrent

with the filing of this submission with the Commission.

Questions regarding this submission may be directed to Rebecca Tenuta at (773) 485-7926 and Arthur Reinstein at (312) 786-7570 in any related correspondence.

Cboe Futures Exchange, LLC

/s/ Catherine Clay

By: Catherine Clay  
Senior Managing Director

## EXHIBIT 1

The Amendment, marked to show additions in underlined text and deletions in ~~stricken~~ text, consists of the following:

### Cboe Futures Exchange, LLC Rulebook

\* \* \* \* \*

#### 2002. Contract Specifications

(a) - (q) No changes.

(r) *Daily Settlement Price.* The daily settlement price for an FBT futures contract is calculated in the following manner for each Business Day:

(i)-(iii) No changes.

(iv) *Kaiko Index Value Calculation.*

(A) If the requirements above for using the VWAP and for using the TWAP of best bid and offer midpoints as the daily settlement price for an FBT futures contract are not satisfied:

(1) If the applicable Business Day is not the first Business Day on which the FBT futures contract has been offered for trading, the daily settlement price of the FBT futures contract is the value of the Cboe Kaiko Bitcoin Real-Time Rate ("CKBRT") Index at the Daily Settlement Time on the applicable Business Day adjusted by the difference between the value of the CKBRT ~~Index~~ at the Daily Settlement Time on the preceding Business Day and the daily settlement price of the FBT futures contract on the preceding Business Day. This difference is referred to as the Prior Differential.

(aa) The Prior Differential is subtracted from the value of the CKBRT ~~Index~~ at the Daily Settlement Time on the applicable Business Day to determine the daily settlement price of the FBT futures contract on that Business Day if the level of the CKBRT ~~Index~~ value at the Daily Settlement Time on the preceding Business Day was greater than the daily settlement price of the FBT futures contract on the preceding Business Day.

(bb) The Prior Differential is added to the value of the CKBRT ~~Index~~ at the Daily Settlement Time on the applicable Business Day to determine the daily settlement price of the FBT futures contract on that Business Day if the level of the CKBRT ~~Index~~ value at the Daily Settlement Time on the preceding Business Day was less than the daily settlement price of the FBT futures contract on the preceding Business Day.

(2) If the applicable Business Day is the first Business Day on which the FBT futures contract has been offered for trading, the daily settlement price of the FBT futures contract is the value of the CKBRT Index at the Daily Settlement Time on the applicable Business Day.

(v)-(vi) No change.

\* \* \* \* \*

## 2102. Contract Specifications

(a) - (q) No changes.

(r) *Daily Settlement Price.* The daily settlement price for an FET futures contract is calculated in the following manner for each Business Day:

(i)-(iii) No changes.

(iv) *Kaiko Index Value Calculation.*

(A) If the requirements above for using the VWAP and for using the TWAP of best bid and offer midpoints as the daily settlement price for an FET futures contract are not satisfied:

(1) If the applicable Business Day is not the first Business Day on which the FET futures contract has been offered for trading, the daily settlement price of the FET futures contract is the value of the Cboe Kaiko Ether Real-Time Rate ("CKERT") Index at the Daily Settlement Time on the applicable Business Day adjusted by the difference between the value of the CKERT Index at the Daily Settlement Time on the preceding Business Day and the daily settlement price of the FET futures contract on the preceding Business Day. This difference is referred to as the Prior Differential.

(aa) The Prior Differential is subtracted from the value of the CKERT Index at the Daily Settlement Time on the applicable Business Day to determine the daily settlement price of the FET futures contract on that Business Day if the level of the CKERT Index value at the Daily Settlement Time on the preceding Business Day was greater than the daily settlement price of the FET futures contract on the preceding Business Day.

(bb) The Prior Differential is added to the value of the CKERT Index at the Daily Settlement Time on the applicable Business Day to determine the daily settlement price of the FET futures contract on that Business Day if the level of the CKERT Index value at the Daily Settlement Time on the preceding Business Day was less than the daily

settlement price of the FET futures contract on the preceding Business Day.

(2) If the applicable Business Day is the first Business Day on which the FET futures contract has been offered for trading, the daily settlement price of the FET futures contract is the value of the CKERT ~~Index~~ at the Daily Settlement Time on the applicable Business Day.

(v)-(vi) No change.

\* \* \* \* \*