



June 5, 2026

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-2026-012

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 clarify, update, and/or make non-substantive revisions to various CFE rule provisions. Exhibit 1 to this submission sets forth the rule changes included in the Amendment. The Amendment will become effective on June 22, 2026.

Specifically, CFE is amending the following rule provisions within the CFE Rulebook and the Policies and Procedures Section of the CFE Rulebook as described below in order to clarify, update, and/or make non-substantive revisions to certain aspects of those provisions:

- CFE is updating CFE Rule 203 (Effectiveness of Rules) to make clear that the CFE Board of Directors (“Board”) has the authority to adopt and amend CFE rules and to delegate this authority to one or more designees. These clarifying revisions are consistent with the existing language of Rule 203 which provides that, unless otherwise specified by the Board, all CFE rules and rule amendments from time to time adopted by the Board or its designee shall become effective on a date (after any required filing with the Commission and required period prior to effectiveness or any approval of a filing by the Commission) as may be determined by the Exchange. CFE is also revising the title of Rule 203 to be “Rule Adoption Authority and Effectiveness of Rules” to be more consistent with the scope of updated Rule 203.
- Paragraph (g) of CFE Rule 305 (Application for Trading Privileges) currently requires that each CFE Trading Privilege Holder (“TPH”) that is not registered or notice-registered with the National Futures Association (“NFA”) and that is not a Cboe Exchange, Inc. (“Cboe Options”) trading permit holder shall promptly update the following information on file with the Exchange through the submission of application materials by the TPH and updates to those materials pursuant to Rule 305(g) if that information becomes inaccurate or incomplete:
  - disciplinary history information;

- executive officer information; and
- information regarding ownership interests in the TPH.

The provisions of Rule 305(g) apply after a TPH has been approved as a TPH. CFE is updating Rule 305(g) to apply the requirements of Rule 305(g) to all TPHs instead of solely to TPHs that not NFA registrants or Cboe Option trading permit holders. CFE is also updating Rule 305(g) to provide that the information required to be submitted by Rule 305(g) is to be provided to CFE in a form and manner prescribed by the Exchange.

- Paragraph (b) of CFE Rule 402 (Trading Hours) currently provides that the Exchange may modify its regular business days and trading hours to not be open for business or to have shortened trading hours in connection with a holiday or a period of mourning. CFE is updating Rule 402(b) to make clear that Exchange may also modify its daily settlement times in connection with a holiday or period of mourning.
- Paragraph (a) of CFE Rule 420 (Transfers of Positions) allows for the transfer of positions on the books of a CFE Clearing Member or from one Clearing Member to another Clearing Member in specified circumstances. CFE is updating Rule 420(a) to make clear that a transfer of positions is permitted under Rule 420(a) in connection with a default auction conducted by a Clearing House that is utilized by CFE to clear CFE products.
- CFE Rule 406A (Trading of Spread Orders) includes various provisions regarding spread order processing. Rule 406A(a)(i)(C) currently provides that futures spreads that are processed as block trades and exchange of contract for related position (“ECRP”) transactions are not required to satisfy permissible ratios in Rule 406A(a)(i)(B) that apply to futures spreads traded within CFE’s centralized market. CFE is updating Rule 406A(a)(i)(C) to clarify that the Exchange may establish parameters for futures spreads that are processed as block trades and ECRP transactions, including among others, parameters relating to the minimum and maximum number of legs per spread and ratio limitations. CFE is also updating Rule 406A(a)(i)(C) to clarify that the Exchange will disseminate to TPHs in a form and manner determined by the Exchange parameters established by the Exchange pursuant to Rule 406A(a)(i)(C). This approach is consistent with existing CFE rule provisions under Rules 406A(a)(i)(B) and 406A(a)(i)(D) relating to options on futures spreads which allow for the Exchange to establish these types of parameters for options on futures spreads and which provide for the Exchange to disseminate the parameters in the same manner as is being provided for in Rule 406A(a)(i)(C).
- CFE is clarifying when the disconnection risk controls provided for under CFE Rule 513A (Risk Controls) are active.
  - These disconnection risk controls, which cancel certain pending orders if a disconnection occurs, include:
    - cancel on match capacity allocation disconnect, which is triggered when a match capacity allocation is disconnected from CFE’s trading system (“CFE System”);
    - cancel on matching engine disconnect, which is triggered when a match

capacity allocation is disconnected from a CFE matching engine; and

- cancel on drop disconnect, which is triggered when an execution drop port is disconnected from the CFE System.
- CFE is updating Rule 513A(m) to clarify that these disconnection risk controls are active with respect to any product that is not in a suspended state during the time period between the end of a cancel-only period and the time of persisted Order reload in that product.
  - A cancel-only period is a time period after a trading segment for a product during which cancel orders may be submitted when the CFE System is in a suspended state for that product.
  - Persisted order reload refers to the time at which persisted orders are reloaded to the CFE System following a restart of the CFE System during a suspension period.
- CFE is adding a registered trademark symbol after the references to SPAN<sup>®</sup> in the following statement included at the end of CFE Rule 516 (Customer Margin Requirements for Contracts other than Security Futures) and included at the end of CFE Rule 517 (Customer Margin Requirements for Contracts that are Security Futures) so that the statement will read as follows:

SPAN<sup>®</sup> is a registered trademark of Chicago Mercantile Exchange Inc., used herein under license. Chicago Mercantile Exchange Inc. assumes no liability in connection with the use of SPAN<sup>®</sup> by any person or entity.

These revisions are consistent with the other references to SPAN<sup>®</sup> within CFE rules, which are all contained in Rules 516 and 517 and which already include a registered trademark symbol.

- CFE is replacing references to “the Clearing Corporation” with references to “a Clearing House” in Part I of Policy and Procedure III (Resolution of Error Trades) (“P&PIII Part I”) of the Policies and Procedures Section of the CFE Rulebook and in the title of P&PIII Part I. When CFE started utilizing Cboe Clear U.S., LLC as a second Derivatives Clearing Organization (“DCO”) to clear certain CFE products while continuing to utilize The Options Clearing Corporation as a DCO to clear other CFE products, CFE replaced all of the references in CFE rules to “the Clearing Corporation” with references to “a Clearing House”. This revision to P&PIII Part I makes that same update to P&PIII Part I since it currently includes the prior language.
- The Amendment makes non-substantive revisions to:
  - make rule numbering and lettering corrections in CFE Rule 2702(r)(iii) (TWAP of Best Bid and Best Offer Midpoints), CFE Rule 2702(u)(ii) (Funding Amount Calculation), CFE Rule 2802(r)(iii) (TWAP of Best Bid and Best Offer Midpoints), CFE Rule 2802(u)(ii) (Funding Amount Calculation); CFE Rule 2803 (Clearance and Settlement); and CFE Rule 2902(p)(iii) (TWAP of Best Bid and Best Offer Midpoints);

- correct rule cross-references in the definition of the term “Strip” in Chapter 1 (Definitions) of the CFE Rulebook and in CFE Rule 2702(r) (Daily Settlement Price), CFE Rule 2802(r) (Daily Settlement Price), and CFE Rule 2802(u)(iii) (Exchange Determinations);
- make minor wording and punctuation corrections in CFE Rule 1103 (Clearing Services), CFE Rule 2402(l) (Exchange of Contract for Related Position), and CFE Rule 2802(u)(i) (Funding Amount); and
- correct product references to the correct product name, where the current reference inadvertently references a different product and the applicable rule and/or rule chapter make clear the product that is intended to be referenced, in CFE Rule 2102(a) (Schedule), Rule 2402(l), paragraph (4)(b) of CFE Rule 2702(u)(ii)(C) (The Funding Rate); and paragraph (4)(b) of CFE Rule 2802(u)(ii)(C) (The Funding Rate).

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 2 (Compliance with Rules) in that requiring all TPHs to update key information on file with the Exchange furthers CFE’s ability to administer access to the Exchange and applies this requirement in an impartial manner;
- DCM Core Principle 4 (Prevention of Market Disruption) in that the ability of the Exchange to adjust daily settlement times in the event of a holiday or period of mourning contributes to the prevention of price distortion and disruption in connection with the daily settlement process and the disconnection risk controls made available by the Exchange assist CFE Trading Privilege Holders (“TPHs”) in managing the risks associated with a TPH connection to the CFE System becoming disconnected when a TPH has orders pending;
- DCM Core Principle 7 (Availability of General Information) in that the Amendment clarifies CFE’s rules by further describing the authority of the Board with regard to the adoption and amendment of CFE rules; describing in further detail when CFE disconnection risk controls are active; including additional registered trademark symbols to reflect that SPAN<sup>®</sup> is a registered trademark of Chicago Mercantile Exchange Inc.; replacing references to “the Clearing Corporation” with more up-to-date the references to “a Clearing House;” and making minor corrections to rule numbering and lettering, rule cross-references, wording and punctuation, and product references within CFE’s rules;
- DCM Core Principle 9 (Execution of Transactions) in that allowing for transfers of positions to occur in connection with a default auction conducted by a Clearing House is consistent with the ability of a DCM to permit transfer trades to occur for bona fide business purposes; and
- DCM Core Principle 20 (System Safeguards) in that the Amendment clarifies that the Exchange may establish parameters for futures spreads that are processed as block trades and ECRP transactions, such as with respect to minimum and maximum number of legs per spread and ratio limitations, which furthers CFE’s ability to implement appropriate

controls that serve to minimize risk to the performance, operation, and integrity of the CFE System.

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 Arthur Reinstein at (312) 786-7570 or Gray Tanzi at (312) 786-7171. Please reference our submission number CFE-2026-012 in any related correspondence.

Cboe Futures Exchange, LLC

/s/ Meaghan Dugan

By: Meaghan Dugan  
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 Rules**

\* \* \* \* \*

**Chapter 1 Definitions**

\* \* \* \* \*

**Strip**

The term “strip” has the meaning set forth in Rule ~~404(e)~~ 404(a)(iii).

\* \* \* \* \*

**203. Rule Adoption Authority and Effectiveness of Rules**

The Board shall have the authority to adopt and amend the Rules of the Exchange and may delegate this authority to one or more designees. Unless otherwise specified by the Board, all Rules of the Exchange and amendments thereto from time to time adopted by the Board or its designee shall become effective on such date (after any required filing with the Commission and required period prior to effectiveness or any approval thereof by the Commission) as may be determined by the Exchange.

\* \* \* \* \*

**305. Application for Trading Privileges**

(a) - (f) No changes.

(g) Each Trading Privilege Holder ~~that is not registered or notice registered with the NFA and that is not a Cboe Options trading permit holder~~ shall promptly update the following information on file with the Exchange ~~through the submission of application materials by the Trading Privilege Holder and updates to those materials pursuant to this Rule 305(g) in a form and manner prescribed by the Exchange~~ if that information becomes inaccurate or incomplete:

- (i) disciplinary history information;
- (ii) executive officer information; and
- (iii) information regarding ownership interests in the Trading Privilege Holder.

\* \* \* \* \*

## 402. Trading Hours

- (a) No changes.
- (b) The Exchange may modify its regular Business Days, ~~and~~ Trading Hours, and Daily Settlement Times, including to not be open for business or to have shortened trading hours, in connection with a holiday or a period of mourning.
- (c) No changes.

\* \* \* \* \*

## 406A. Trading of Spread Orders

- (a) *Spread Order Processing.*
  - (i) Futures spreads are created in the following manner and are subject to the following parameters:
    - (A) The Trade Desk determines which Futures spreads to create and make available to be traded in the CFE System in its sole discretion. Trading Privilege Holders do not have the capability to create Futures spreads within the CFE System. If a Trading Privilege Holder would like a Futures spread with a permissible ratio and permissible Futures spread type to be created that is not already available to be traded in the CFE System, the Trading Privilege Holder should contact the Trade Desk in a form and manner prescribed by the Exchange to request creation of the Futures spread. The Trade Desk may determine whether or not to make that Futures spread available for trading in its sole discretion.
    - (B) Futures spreads, other than Futures spreads that are processed as Block Trades and Exchange of Contract for Related Position transactions, are required to have the following permissible ratios:
      - (i) two-legged spreads where the ratio of the number of Contracts in one leg to the number of Contracts in the other leg is 1:1, 1:2 and 2:1;
      - (ii) three-legged spreads where the ratio is 1:1:1 or 1:2:1;
      - (iii) four-legged spreads where the ratio is 1:1:1:1; and
      - (iv) any other spread type from time to time approved by the Exchange.
    - (C) Futures Spreads that are processed as Block Trades and Exchange of Contract for Related Position transactions are not required to satisfy the permissible ratios in Rule 406A(a)(i)(B). The Exchange may establish parameters for Futures Spreads that are processed as Block Trades and Exchange of Contract for Related Position transactions, including among others, parameters relating to the minimum and maximum number of legs per

spread and ratio limitations. The Exchange shall disseminate to Trading Privilege Holders in a form and manner determined by the Exchange parameters established by the Exchange pursuant to this Rule 406A(a)(i)(C).

(D) Futures spreads that are processed as TAS transactions are required to be two-legged spreads that are not strips where the ratio of the number of Contracts in one leg to the number of Contracts in the other leg is 1:1.

(E) Spreads are not permitted in VA futures other than spreads that are processed as Block Trades and Exchange of Contract for Related Position transactions.

(ii) - (xi) No changes.

(b) No changes.

\* \* \* \* \*

#### **420. Transfers of Positions**

(a) Existing trades may be transferred either on the books of a Clearing Member or from one Clearing Member to another Clearing Member to:

(i) correct errors in an existing Contract, provided that the original trade documentation confirms the error;

(ii) transfer an existing Contract from one account to another where no change in ownership is involved; ~~or~~

(iii) transfer an existing Contract through operation of law from death or bankruptcy; or

(iv) transfer an existing Contract in connection with a default auction conducted by a Clearing House.

(b) - (c) No changes.

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#### **513A. Risk Controls**

(a) - (l) No changes.

(m) *Disconnection Risk Controls.*

(i) *General.*

(A) Trading Privilege Holders shall have the ability to enable disconnection risk controls by match capacity allocation.

(B) Disconnection risk controls apply to both Futures and Options products.

(C) Block Trades and Exchange of Contract for Related Position transactions shall not be subject to disconnection risk controls.

(ii) *Cancel on Match Capacity Allocation Disconnect.*

(A) A Trading Privilege Holder may enable cancel on disconnect functionality for an order match capacity allocation and may choose to have that functionality apply to:

- (1) Day Orders; or
- (2) all Orders.

(B) Cancel on disconnect functionality is enabled for each quoting match capacity allocation. A Trading Privilege Holder may choose to have that functionality apply to:

- (1) Day Orders; or
- (2) all Orders.

(C) For purposes of cancel on disconnect functionality, a disconnection from a match capacity allocation includes a disconnection that occurs for any reason (including as the result of the submission of a logout message) or if at any time the CFE System does not receive any inbound message traffic or a heartbeat message through the match capacity allocation for a specified time interval as prescribed by the Exchange.

(D) When cancel on disconnect functionality is enabled for a match capacity allocation:

- (1) If there is a disconnection from that match capacity allocation,
- (2) the CFE System cancels all applicable Orders that are residing in the CFE System
- (3) which were submitted through that match capacity allocation
- (4) for any product ~~is~~ not in a suspended state during the time period between the end of a cancel-only period and the time of persisted Order reload in that product.

(iii) *Cancel on Matching Engine Disconnect.*

(A) A Trading Privilege Holder may enable cancel on

matching engine disconnect functionality for an order match capacity allocation and may choose to have that functionality apply to:

- (1) Day Orders; or
- (2) all Orders.

(B) Cancel on matching engine disconnect functionality is enabled for each quoting match capacity allocation. A Trading Privilege Holder may choose to have that functionality apply to:

- (1) Day Orders; or
- (2) all Orders.

(C) When cancel on matching engine disconnect is enabled by a Trading Privilege Holder for a match capacity allocation:

- (1) If there is loss of connectivity between that match capacity allocation and a CFE System matching engine,
- (2) the CFE System cancels all applicable Orders residing in the CFE System on that matching engine
- (3) that were submitted through that match capacity allocation
- (4) for any product ~~that is~~ not in a suspended state during the time period between the end of a cancel-only period and the time of persisted Order reload in that product.

(D) When cancel on matching engine disconnect is not enabled by a Trading Privilege Holder for a match capacity allocation:

- (1) If there is loss of connectivity between that match capacity allocation and a CFE System matching engine
- (2) for a specified time interval as prescribed by the Exchange,
- (3) the CFE System cancels all Orders residing in the CFE System on that matching engine
- (4) that were submitted through that match capacity allocation
- (5) for any product ~~that is~~ not in a suspended state during the time period between the end of a cancel-only period and the time of persisted Order reload in that product.

(iv) *Cancel on Drop Disconnect.*

(A) Trading Privilege Holders shall have the ability to utilize execution drop ports and to enable cancel on drop disconnect functionality with respect to order match capacity allocations and quoting match capacity allocations that are associated with those drop ports.

(B) An execution drop port is a logical port used to receive drop copies of execution report messages relating to the execution of Orders.

(C) If cancel on drop disconnect is enabled by a Trading Privilege Holder for match capacity allocation, cancel on drop disconnect functionality will be triggered if all of the drop ports associated with that match capacity allocation become disconnected from the CFE System.

(D) A drop port will be treated as having become disconnected from the CFE System if the CFE System does not receive a heartbeat message through the drop port for a specified time interval configurable by the Trading Privilege Holder.

(E) If cancel on drop disconnect functionality is triggered for match capacity allocation, the CFE System will reject or cancel back to the sender any new Orders submitted through the match capacity allocation. This block on the submission of Orders shall remain in place until the CFE System receives heartbeat messages through a drop port associated with the match capacity allocation in accordance with the time interval configured by the Trading Privilege Holder.

(F) At the option of a Trading Privilege Holder activating cancel on drop disconnect functionality:

(1) If cancel on drop disconnect functionality is triggered for a match capacity allocation,

(2) the CFE System will also cancel

(3) all Day Orders or all Orders, as designated by the Trading Privilege Holder

(4) residing in the CFE System

(5) that were submitted through that match capacity allocation

(6) for any product ~~that is~~ not in a suspended state during the time period between the end of a cancel-only period and the time of persisted Order reload in that product.

(G) Cancel on drop disconnect functionality is not

applicable with respect to order drop ports used to receive drop copies of Order messages.

(n) - (o) No changes.

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### **516. Customer Margin Requirements for Contracts other than Security Futures**

(a) - (o) No changes.

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### **517. Customer Margin Requirements for Contracts that are Security Futures**

(a) - (n) No changes.

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### **1103. Clearing Services**

Whenever the Exchange designates a new or different Clearing House for the clearance of Contracts with respect to which there are open positions, each Clearing Member that is not a Clearing Member of that Clearing House 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 that Clearing House, or cause ~~any~~ those open Contracts carried by it either to be transferred to a Clearing Member of that Clearing House or to be liquidated.

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### **2102. Contract Specifications**

(a) *Schedule.* The Exchange may list for trading ~~FBT~~ FET futures contracts with the following expirations: (i) up to three weekly expirations, (ii) up to three monthly serial expirations, and (iii) up to three monthly quarterly expirations on the March quarterly cycle.

The final settlement date for a weekly FET futures contract is the Friday of the calendar week denoted by the ticker symbol of the contract. The final settlement date for a monthly serial or quarterly FET futures contract is the last Friday of the calendar month denoted by the ticker symbol of the contract. If the final settlement date is a CFE holiday, the final settlement date shall be the Business Day immediately preceding the holiday.

The trading hours for FET futures are set forth in the charts below. The trading hours for FET

futures during extended trading hours and regular trading hours constitute a single trading session for a Business Day. All times set forth in the charts below are in Chicago time.

**Trading Week with No Exchange Holiday.** Unless otherwise specified below in relation to Exchange holidays, the following schedule applies.

Type of Trading Hours	Monday – Friday
Extended	5:00 p.m. (previous day) to 8:30 a.m.
Regular	8:30 a.m. to 3:00 p.m.
Extended	3:00 p.m. to 4:00 p.m.

**Domestic Holidays Always Observed on Mondays.** The below schedule applies when the following domestic holidays are observed: Martin Luther King, Jr. Day, Presidents’ Day, Memorial Day and Labor Day.

Type of Trading Hours	Monday	Tuesday
Extended	None	5:00 p.m. (Monday) to 8:30 a.m. and 3:00 p.m. to 4:00 p.m.
Regular	None	8:30 a.m. to 3:00 p.m.

**Thanksgiving.** The below schedule applies when the Thanksgiving Day holiday is observed.

Type of Trading Hours	Thanksgiving	Friday
Extended	None	5:00 p.m. (Thursday) to 8:30 a.m.
Regular	None	8:30 a.m. to 12:00 p.m.

**Floating Holidays and Good Friday.** The below schedules apply when the following holidays are observed: New Year’s Day, Good Friday, Juneteenth National Independence Day (June 19), Independence Day (July 4) and Christmas Day. If the holiday falls on a Saturday, the holiday will be observed on the previous day (Friday), except for New Year’s Day. If the holiday falls on a Sunday, the holiday will be observed on the next day (Monday). The holidays specified in the below charts refer to the day on which the Exchange observes the applicable holiday. Regular trading hours will typically end at 12:00 p.m. on July 3 (the day before Independence Day) and December 24 (Christmas Eve). Holiday closures and shortened holiday trading hours will be announced by circular.

**If New Year's Day or Christmas is on a Monday - Thursday:**

<b>Holiday</b>	<b>Type of Trading Hours</b>	<b>Holiday Observed (Monday – Thursday)</b>
New Year's Day and Christmas	Extended	5:00 pm. (on holiday) to 8:30 a.m. (day after holiday) and 3:00 p.m. to 4:00 p.m. (day after holiday)
New Year's Day and Christmas	Regular	8:30 a.m. to 3:00 p.m. (day after holiday)

**If New Year's Day or Christmas is on a Friday:**

<b>Holiday</b>	<b>Type of Trading Hours</b>	<b>Holiday Observed (Friday)</b>
If New Year's Day or Christmas on Friday	Extended	None
If New Year's Day or Christmas on Friday	Regular	None

**Good Friday:**

<b>Holiday</b>	<b>Type of Trading Hours</b>	<b>Friday</b>
Good Friday	Extended	None
Good Friday	Regular	None

**Juneteenth:**

<b>Type of Trading Hours</b>	<b>Holiday Observed</b>	<b>Business Day After Holiday Observed</b>
Extended	None	5:00 p.m. (on holiday or on Sunday if holiday observed on Friday) to 8:30 a.m. and 3:00 p.m. to 4:00 p.m.
Regular	None	8:30 a.m. to 3:00 p.m.

**Independence Day:**

Type of Trading Hours	Holiday Observed	Business Day After Holiday Observed
Extended	None	5:00 p.m. (on holiday or on Sunday if holiday observed on Friday) to 8:30 a.m. and 3:00 p.m. to 4:00 p.m.
Regular	None	8:30 a.m. to 3:00 p.m.

(b) - (t) No changes.

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**2402. Contract Specifications**

(a) - (k) No changes.

(l) *Exchange of Contract for Related Position.* Exchange of Contract for Related Position transactions, as set forth in Rule 414, may ~~be not~~ be entered into with respect to ~~CB Index futures~~ Options.

(n) - (u) No changes.

\* \* \* \* \*

**2702. Contract Specifications**

(a) - (q) No changes.

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

(i) - (ii) No changes.

(iii) *TWAP of Best Bid and Best Offer Midpoints.*

(A) If the number of Qualifying Transactions during the Measurement Interval is less than the VWAP Transaction Minimum or the number of Qualifying Contracts Traded during the Measurement Interval is less than the VWAP Contract Minimum:

(1) The daily settlement price for a PBT futures contract is the time weighted average price (“TWAP”) of best bid and best offer midpoint values in the PBT futures contract during the Measurement Interval, provided that the requirement in Rule ~~2002(r)(iii)(A)(3)~~ 2702(r)(iii)(A)(4) is satisfied.

(2) The TWAP for a PBT futures contract is calculated using only subsegments of the Measurement Interval during which there is both a two-sided market in the PBT futures contract and the Spread Width Percentage between the best bid and best offer in the PBT futures contract is 0.5% or less. All other subsegments of the Measurement Interval are ignored for the purpose of the TWAP calculation. The midpoint values during qualifying subsegments are weighted in calculating the TWAP by the amount of time during those subsegments that each midpoint value existed.

(3) The Spread Width Percentage between the best bid and best offer in a PBT futures contract is calculated by the following formula:

$$\text{Spread Width Percentage} = \frac{\text{Best Offer} - \text{Best Bid}}{(\text{Best Offer} + \text{Best Bid}) \div 2}$$

(34) In order for the TWAP described above to be used as the daily settlement price for a PBT futures contract, the total length of the qualifying subsegments must be at least 50% of the Measurement Interval.

(45) For purposes of determining the daily settlement price of a PBT futures contract, a two-sided market refers to a market in a PBT futures contract that simultaneously includes both a pending bid with a non-zero value and a pending offer with a non-zero value. If a two-sided market includes either no bid or no offer, it is not a two-sided market for these purposes.

(iv) - (vi) No changes.

(s) - (t) No changes.

(u) *Daily Cash Adjustment*

(i) No changes.

(ii) *Funding Amount Calculation.*

(A) The Funding Amount is calculated once per day at 3:00 p.m. Chicago time and applied to all open positions as of the close of trading at 4:00 p.m. Chicago time (except that the Funding Amount on a Business Day that ends at 12:15 p.m. Chicago time is calculated and applied at 12:00 p.m. Chicago time). On the final settlement date of an expiring PBT futures contract, a final Funding Amount is calculated at 10:00 a.m. Chicago time, pursuant to Rule 2703.

(B) The Funding Amount (*FA*) is applied to a net position of *N* contracts, where a long net position is positive and a short net position is negative, multiplied by a per-contract Funding Amount (*PCFA*), pursuant to

the following formula:  $FA = N * PCFA$ .

**(BC)** *The Funding Rate.*

(1) The PCFA is calculated using the daily settlement price of that PBT futures contract, multiplied by its contract size (0.01), multiplied by the Funding Rate, multiplied by -1. The PCFA will be rounded to the nearest even penny (utilizing banker's rounding).

(2) The Funding Rate is a weighted average of the variance between the PBT futures contract price and the value of the CKBRT ("Basis"), computed once per minute throughout a trading day from 5:00 p.m. Chicago time (previous day) until 3:00 p.m. Chicago time.

(3) A clamp will be applied to the Funding Rate that limits the Funding Rate value to not be less than a minimum clamp value of -0.002 and to not exceed a maximum clamp value of 0.002.

(4) The PBT futures contract price used to calculate the Basis during each minute will be the last trade price of the current trade date for a PBT futures contract, regardless of whether the last trade occurred within the current minute, if the last trade price is within the prevailing best bid and best offer price (prevailing bid-ask spread) at the end of the minute.

(a) If the last trade price is outside of the prevailing bid-ask spread at the end of the minute, then the futures price will be the mid-point of the prevailing bid-ask spread at the end of the minute.

(b) If the last trade price is outside the prevailing bid-ask spread or a trade has not occurred in the ~~FBT~~ PBT futures contract during the applicable trading day prior to the end of the minute, the midpoint of the prevailing bid-ask spread at the end of the minute is used.

(c) For these purposes, the prevailing bid-ask spread is the last valid two-sided market within the minute. A valid two-sided market includes both a pending bid with a non-zero value and a pending offer with a non-zero value. A two-sided market will not be considered valid if it includes either no bid or no offer.

(d) If a valid two-sided market does not exist within the current minute, then a valid Basis value for the current minute cannot be calculated, and a Basis value for that minute will not be included in the Funding Rate calculation.

If the midpoint normalized bid-ask spread, as defined in the

Cboe Continuous Futures Funding Amount Methodology, at the end of a minute exceeds 0.005, then a valid futures price does not exist for this purpose and a valid Basis value for the current minute cannot be calculated. In that case, a Basis value for that minute will not be included in the Funding Rate calculation.

(iii) No changes.

\* \* \* \* \*

## 2802. Contract Specifications

(a) - (q) No changes.

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

(i) - (ii) No changes.

(iii) *TWAP of Best Bid and Best Offer Midpoints.*

(A) If the number of Qualifying Transactions during the Measurement Interval is less than the VWAP Transaction Minimum or the number of Qualifying Contracts Traded during the Measurement Interval is less than the VWAP Contract Minimum:

(1) The daily settlement price for a PET futures contract is the time weighted average price (“TWAP”) of best bid and best offer midpoint values in the PET futures contract during the Measurement Interval, provided that the requirement in Rule ~~2002(r)(iii)(A)(3)~~ 2802(r)(iii)(A)(4) is satisfied.

(2) The TWAP for a PET futures contract is calculated using only subsegments of the Measurement Interval during which there is both a two-sided market in the PET futures contract and the Spread Width Percentage between the best bid and best offer in the PET futures contract is 0.5% or less. All other subsegments of the Measurement Interval are ignored for the purpose of the TWAP calculation. The midpoint values during qualifying subsegments are weighted in calculating the TWAP by the amount of time during those subsegments that each midpoint value existed.

(3) The Spread Width Percentage between the best bid and best offer in a PET futures contract is calculated by the following formula:

$$\text{Spread Width Percentage} = \frac{\text{Best Offer} - \text{Best Bid}}{\text{Best Offer} + \text{Best Bid}} \div 2$$

(~~34~~) In order for the TWAP described above to be used as the daily settlement price for a PET futures contract, the total length

of the qualifying subsegments must be at least 50% of the Measurement Interval.

(45) For purposes of determining the daily settlement price of a PET futures contract, a two-sided market refers to a market in a PET futures contract that simultaneously includes both a pending bid with a non-zero value and a pending offer with a non-zero value. If a two-sided market includes either no bid or no offer, it is not a two-sided market for these purposes.

(iv) - (vi) No changes.

(s) - (t) No changes.

(u) *Daily Cash Adjustment*

(i) *Funding Amount.* The Funding Amount is a daily cash adjustment applied daily to open positions in a PET futures contract.

Further detail regarding the Funding Amount methodology is ~~including~~ included in the Cboe Continuous Futures Funding Amount Methodology.

The Funding Amount is stated in USD.=-

(ii) *Funding Amount Calculation.*

(A) The Funding Amount is calculated once per day at 3:00 p.m. Chicago time and applied to all open positions as of the close of trading at 4:00 p.m. Chicago time (except that the Funding Amount on a Business Day that ends at 12:15 p.m. Chicago time is calculated and applied at 12:00 p.m. Chicago time). On the final settlement date of an expiring PET futures contract, a final Funding Amount is calculated at 10:00 a.m. Chicago time, pursuant to Rule 2703.

(B) The Funding Amount (FA) is applied to a net position of N contracts, where a long net position is positive and a short net position is negative, multiplied by a per-contract Funding Amount (PCFA), pursuant to the following formula:  $FA = N * PCFA$ .

(BC) *The Funding Rate.*

(1) The PCFA is calculated using the daily settlement price of that PET futures contract, multiplied by its contract size (0.10), multiplied by the Funding Rate, multiplied by -1. The PCFA will be rounded to the nearest even penny (utilizing banker's rounding).

(2) The Funding Rate is a weighted average of the variance between the PET futures contract price and the value of the CKERT ("Basis"), computed once per minute throughout a trading day from 5:00 p.m. Chicago time (previous day) until 3:00 p.m.

Chicago time.

(3) A clamp will be applied to the Funding Rate that limits the Funding Rate value to not be less than a minimum clamp value of -0.002 and to not exceed a maximum clamp value of 0.002.

(4) The PET futures contract price used to calculate the Basis during each minute will be the last trade price of the current trade date for a PET futures contract, regardless of whether the last trade occurred within the current minute, if the last trade price is within the prevailing best bid and best offer price (prevailing bid-ask spread) at the end of the minute.

(a) If the last trade price is outside of the prevailing bid-ask spread at the end of the minute, then the futures price will be the mid-point of the prevailing bid-ask spread at the end of the minute.

(b) If the last trade price is outside the prevailing bid-ask spread or a trade has not occurred in the ~~FBT~~ PET futures contract during the applicable trading day prior to the end of the minute, the midpoint of the prevailing bid-ask spread at the end of the minute is used.

(c) For these purposes, the prevailing bid-ask spread is the last valid two-sided market within the minute. A valid two-sided market includes both a pending bid with a non-zero value and a pending offer with a non-zero value. A two-sided market will not be considered valid if it includes either no bid or no offer.

(d) If a valid two-sided market does not exist within the current minute, then a valid Basis value for the current minute cannot be calculated, and a Basis value for that minute will not be included in the Funding Rate calculation.

If the midpoint normalized bid-ask spread, as defined in the Cboe Continuous Futures Funding Amount Methodology, at the end of a minute exceeds 0.005, then a valid futures price does not exist for this purpose and a valid Basis value for the current minute cannot be calculated. In that case, a Basis value for that minute will not be included in the Funding Rate calculation.

(iii) *Exchange Determination.* The Exchange may in its sole discretion establish a Funding Amount for a PET futures contract that it deems to be a fair and reasonable reflection of the market if the Exchange determines in its sole discretion that the Funding Amount determined by the methodology set forth in the Cboe Continuous Futures Funding Amount Methodology is not a fair and reasonable reflection of the market. The Exchange may exercise the authority in this Rule ~~2702(u)(iii)~~ 2802(u)(iii) either before or after a Funding Amount is determined by the methodology set forth in the Cboe Continuous Futures Funding Amount Methodology

has initially been determined and disseminated.

\* \* \* \* \*

**~~2902~~ 2803. Clearance and Settlement**

The Clearing House for transactions in PET futures is CCUS.

The final settlement value of an expiring PET futures contract shall be the value of the Cboe Kaiko Ether Rate, as determined by Kaiko, at 10:00 a.m. Chicago time on the final settlement date of that PET futures contract.

If the Exchange concludes that the final settlement value of an expiring PET futures contract determined in the foregoing manner does not fairly represent the market value of the price of ether in U.S. dollars at the time of determination of the final settlement value, the Exchange may determine an alternative final settlement value for the PET futures contract. That Exchange determination may be based upon, among other things, one or more third party index(es) or reference price(s) that reflect the price of ether in U.S. dollars.

If a final settlement value is not available or the normal settlement procedure cannot be utilized due to a trading disruption or other unusual circumstance, the final settlement value of a PET futures contract will be determined in accordance with the Rules of CCUS.

The final settlement value will be rounded to the nearest \$0.10.

At 10:00 a.m. Chicago time on the final settlement date of an expiring PET futures contract, a Final Funding Amount for that PET futures contract will be calculated pursuant to Rule 2802(u) and the Cboe Continuous Futures Funding Amount Methodology using a PCFA calculated by using the final settlement value of that PET futures contract, multiplied by its contract size (0.10), multiplied by the Funding Rate, multiplied by -1.

Settlement of a PET futures contract will result in the delivery of a cash settlement amount in accordance with the Rules of CCUS. The cash settlement amount on the final settlement date shall include (i) the final mark-to-market amount against the final settlement value of the PET futures contract multiplied by 0.10, and (ii) the Final Funding Amount.

Clearing Members holding open positions in a PET futures contract at the termination of trading in that PET futures contract shall make payment to or receive payment from the Clearing House in accordance with normal margin and other obligation payment procedures based on the cash settlement amount on the final settlement date.

\* \* \* \* \*

**2902. Contract Specifications**

(a) - (o) No changes.

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

(i) - (ii) No changes.

(iii) *TWAP of Best Bid and Best Offer Midpoints.*

(A) If the number of Qualifying Transactions during the Measurement Interval is less than the VWAP Transaction Minimum or the number of Qualifying Contracts Traded during the Measurement Interval is less than the VWAP Contract Minimum:

(1) The daily settlement price for an MGTN futures contract is the time weighted average price (“TWAP”) of best bid and best offer midpoint values in the MGTN futures contract during the Measurement Interval, provided that the requirement in Rule 2902(p)(iii)(A)(3) is satisfied.

(2) The TWAP for an MGTN futures contract is calculated using only subsegments of the Measurement Interval during which there is both a two-sided market in the MGTN futures contract and the Spread Width Percentage between the best bid and best offer in the MGTN futures contract is 0.25% or less. All other subsegments of the Measurement Interval are ignored for the purpose of the TWAP calculation. The midpoint values during qualifying subsegments are weighted in calculating the TWAP by the amount of time during those subsegments that each midpoint value existed.

(3) The Spread Width Percentage between the best bid and best offer in an MGTN futures contract is calculated by the following formula:

$$\text{Spread Width Percentage} = \frac{\text{Best Offer} - \text{Best Bid}}{(\text{Best Offer} + \text{Best Bid}) \div 2}$$

(34) In order for the TWAP described above to be used as the daily settlement price for an MGTN futures contract, the total length of the qualifying subsegments must be at least 50% of the Measurement Interval.

(45) For purposes of determining the daily settlement price of an MGTN futures contract, a two-sided market refers to a market in an MGTN futures contract that simultaneously includes both a pending bid with a non-zero value and a pending offer with a non-zero value. If a two-sided market includes either no bid or no offer, it is not a two-sided market for these purposes.

(iv) - (vi) No changes.

(q) - (r) No changes.

\* \* \* \* \*

**Choe Futures Exchange, LLC  
Policies and Procedures Section of Rulebook**

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**Policy and Procedure III. Resolution of Error Trades (Rule 416)**

**A. - H.**           No changes.

***I.       Busting Trades Rejected by ~~the~~ a Clearing ~~Corporation~~ House***

The Trade Desk is authorized to bust any trade that is not accepted for clearing by ~~the~~ a Clearing Corporation House.

**J. - L.**           No changes.

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