coinbase DERIVATIVES

March 5, 2024

VIA CFTC Electronic Portal

Mr. Christopher J. Kirkpatrick
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

**Re: CFTC Regulation 40.6(d) Weekly Notification of Rule Amendments
Coinbase Derivatives Submission #2024-5**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission ("**CFTC**" or "**Commission**") Regulation 40.6(d), Coinbase Derivatives, LLC (the "**Exchange**") hereby submit this Weekly Notification of the Exchange Rules as set forth on the attached Appendix A, implemented during the week of February 26, 2024:

- Addition of a new Exchange Order Qualifier, Post Only.
- Changes to Rules 1106, 1107, 1108, and 1109 correcting cross reference to Rule 906

The Exchange certifies that this submission has been concurrently posted on the Exchange's website at: https://www.coinbase.com/derivatives. If you have any questions or require any further information, please contact me at jane.downey@coinbase.com.

Sincerely,

/s/

Jane Downey
Chief Regulatory Officer

Attachments: Appendix A

APPENDIX A

Rulebook

(additions <u>underlined</u>; deletions ~~stricken through~~)

CHAPTER 1: DEFINITIONS

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"Order Qualifiers" means the following <u>O</u>~~o~~rder ~~duration~~ <u>Q</u>~~q~~ualifiers supported by the Exchange Trading System. An Order eligible to be entered into the Exchange Trading System that does not contain a<u>n</u> ~~duration~~ <u>Order</u> <u>Q</u>~~q~~ualifier 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 (1) of the following duration qualifiers~~ <u>Supported Order Qualifiers</u>:

(i)　　"Day" means an Order that will remain in the market for the duration of the session it is placed in. If a Day order is not fully executed, any remaining quantity is cancelled at the end of the trading session;

(ii)　　"Good Till Cancel" (GTC) means an Order that will remain in the market until executed or manually cancelled;

(iii)　　"Immediate or Cancel" (IOC) means an Order that will either be immediately executed or cancelled;

(iv)　　"Fill or Kill" (FOK) means, upon entry, an Order that will either be executed in its entirety or cancelled; or

(v)　　"Good Till Date" (GTD) type of order that is active until its specified date.

(vi)　　<u>"Post Only" means, upon entry, an Order that will be posted in its entirety without receiving any immediate executions, and if not, the Order will be cancelled.</u>

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CHAPTER 11: CONTRACT SPECIFICATIONS

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RULE 1106. Nano BItcoin Futures

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(f) Price Fluctuation Limit. Trading in the BIT Contract shall be subject to price fluctuation limits. If a price fluctuation limit is reached on the lead month BIT Contract, all related instruments will be halted. If a price fluctuation limit is reached on the non-lead month BIT Contracts, only the specific instrument which reached the price fluctuation limit will be halted.

(1) Each hour, a Reference Price is calculated for each Contract using the Lead Month settlement procedures outlined in Rule 906(b)(ii~~i~~)(1) (the "Reference Price").

*   *   *

(i) Settlement. The BIT Contract is cash settled

    (1) Daily Settlement Price of the Contract, which <u>is</u> an Exchange Futures Contract based on a cryptocurrency, will be determined pursuant to the process set forth in Exchange Rule 906(b)(i~~ii~~)

    (2) On the day of expiration, the Final Settlement of the Contract, which is <u>an Exchange Futures Contract based on a cryptocurrency</u> ~~based on an Exchange equity index~~, will be determined pursuant to the process set forth in Exchange Rule 906(c)(i~~ii~~).

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RULE 1107. Nano Ether Futures

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(f) Price Fluctuation Limit. Trading in the ET Contract shall be subject to price fluctuation limits. If a price fluctuation limit is reached on the lead month ET Contract, all related instruments will be halted. If a price fluctuation limit is reached on the non-lead month ET Contracts, only the specific instrument which reached the price fluctuation limit will be halted.

    (1) Each hour, a Reference Price is calculated for each Contract using the Lead Month settlement procedures outlined in Rule 906(b)(iii)(1) (the "Reference Price").

*   *   *

(i) Settlement. The ET Contract is cash settled

    (1) Daily Settlement Price of the Contract, which <u>is</u> an Exchange Futures Contract based on a cryptocurrency, will be determined pursuant to the process set forth in Exchange Rule 906(b)(i~~ii~~)

    (2) On the day of expiration, the Final Settlement of the Contract, which is <u>an Exchange Futures Contract based on a cryptocurrency</u> ~~based on an Exchange equity index~~, will be determined pursuant to the process set forth in Exchange Rule 906(c)(i~~ii~~).

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RULE 1108. Bitcoin Futures

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(f) Price Fluctuation Limit. Trading in the BTI Contract shall be subject to price fluctuation limits. If a price fluctuation limit is reached on the lead month BTI Contract, all related instruments will be halted. If a price fluctuation limit is reached on the non-lead month BTI Contracts, only the specific instrument which reached the price fluctuation limit will be halted.

(1) Each hour, a Reference Price is calculated for each Contract using the Lead Month settlement procedures outlined in Rule 906(b)(iii)(1) (the "Reference Price").

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(i) Settlement. The BTI Contract is cash settled

(1) Daily Settlement Price of the Contract, which <u>is</u> an Exchange Futures Contract based on a cryptocurrency, will be determined pursuant to the process set forth in Exchange Rule 906(b)(iii)

(2) On the day of expiration, the Final Settlement of the Contract, which is <u>an Exchange Futures Contract based on a cryptocurrency</u> ~~based on an Exchange equity index~~, will be determined pursuant to the process set forth in Exchange Rule 906(c)(iii).

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RULE 1109. Ether Futures

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(f) Price Fluctuation Limit. Trading in the ETI Contract shall be subject to price fluctuation limits. If a price fluctuation limit is reached on the lead month ETI Contract, all related instruments will be halted. If a price fluctuation limit is reached on the non-lead month ETI Contracts, only the specific instrument which reached the price fluctuation limit will be halted.

(1) Each hour, a Reference Price is calculated for each Contract using the Lead Month settlement procedures outlined in Rule 906(b)(iii)(1) (the "Reference Price").

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(i) Settlement. The ETI Contract is cash settled

(1) Daily Settlement Price of the Contract, which <u>is</u> an Exchange Futures Contract based on a cryptocurrency, will be determined pursuant to the process set forth in Exchange Rule 906(b)(iii)

(2) On the day of expiration, the Final Settlement of the Contract, which is <u>an Exchange Futures Contract based on a cryptocurrency</u> ~~based on an Exchange equity index~~, will be determined pursuant to the process set forth in Exchange Rule 906(c)(iii).

APPENDIX A

Rulebook

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Chapter 1: DEFINITIONS

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"Order Qualifiers" means the following Order Qualifiers supported by the Exchange Trading System. An Order eligible to be entered into the Exchange Trading System that does not contain an Order 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. Supported Order Qualifiers:

(i) "Day" means an Order that will remain in the market for the duration of the session it is placed in. If a Day order is not fully executed, any remaining quantity is cancelled at the end of the trading session;

(ii) "Good Till Cancel" (GTC) means an Order that will remain in the market until executed or manually cancelled;

(iii) "Immediate or Cancel" (IOC) means an Order that will either be immediately executed or cancelled;

(iv) "Fill or Kill" (FOK) means, upon entry, an Order that will either be executed in its entirety or cancelled; or

(v) "Good Till Date" (GTD) type of order that is active until its specified date.

(vi) "Post Only" means, upon entry, an Order that will be posted in its entirety without receiving any immediate executions, and if not, the Order will be cancelled.

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CHAPTER 11: CONTRACT SPECIFICATIONS

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RULE 1106. Nano BItcoin Futures

*   *   *

(f) Price Fluctuation Limit. Trading in the BIT Contract shall be subject to price fluctuation limits. If a price fluctuation limit is reached on the lead month BIT Contract, all related instruments will be halted. If a price fluctuation limit is reached on the non-lead month BIT Contracts, only the specific instrument which reached the price fluctuation limit will be halted.

(2) Each hour, a Reference Price is calculated for each Contract using the Lead Month settlement procedures outlined in Rule 906(b)(ii)(1) (the "Reference Price").

<center>*   *   *</center>

(i) Settlement. The BIT Contract is cash settled

      (1) Daily Settlement Price of the Contract, which is an Exchange Futures Contract based on a cryptocurrency, will be determined pursuant to the process set forth in Exchange Rule 906(b)(ii)

      (2) On the day of expiration, the Final Settlement of the Contract, which is an Exchange Futures Contract based on a cryptocurrency, will be determined pursuant to the process set forth in Exchange Rule 906(c)(ii).

<center>*   *   *</center>

RULE 1107. Nano Ether Futures

<center>*   *   *</center>

(f) Price Fluctuation Limit. Trading in the ET Contract shall be subject to price fluctuation limits. If a price fluctuation limit is reached on the lead month ET Contract, all related instruments will be halted. If a price fluctuation limit is reached on the non-lead month ET Contracts, only the specific instrument which reached the price fluctuation limit will be halted.

      (1) Each hour, a Reference Price is calculated for each Contract using the Lead Month settlement procedures outlined in Rule 906(b)(ii)(1) (the "Reference Price").

<center>*   *   *</center>

(i) Settlement. The ET Contract is cash settled

      (1) Daily Settlement Price of the Contract, which is an Exchange Futures Contract based on a cryptocurrency, will be determined pursuant to the process set forth in Exchange Rule 906(b)(ii)

      (2) On the day of expiration, the Final Settlement of the Contract, which is an Exchange Futures Contract based on a cryptocurrency, will be determined pursuant to the process set forth in Exchange Rule 906(c)(ii).

<center>*   *   *</center>

RULE 1108. Bitcoin Futures

<center>*   *   *</center>

(f) Price Fluctuation Limit. Trading in the BTI Contract shall be subject to price fluctuation limits. If a price fluctuation limit is reached on the lead month BTI Contract, all related instruments will be halted. If a price fluctuation limit is reached on the non-lead month BTI Contracts, only the specific instrument which reached the price fluctuation limit will be halted.

(1) Each hour, a Reference Price is calculated for each Contract using the Lead Month settlement procedures outlined in Rule 906(b)(ii)(1) (the "Reference Price").

* * *

(i) Settlement. The BTI Contract is cash settled

(1) Daily Settlement Price of the Contract, which is an Exchange Futures Contract based on a cryptocurrency, will be determined pursuant to the process set forth in Exchange Rule 906(b)(ii)

(2) On the day of expiration, the Final Settlement of the Contract, which is an Exchange Futures Contract based on a cryptocurrency, will be determined pursuant to the process set forth in Exchange Rule 906(c)(ii).

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RULE 1109. Ether Futures

* * *

(f) Price Fluctuation Limit. Trading in the ETI Contract shall be subject to price fluctuation limits. If a price fluctuation limit is reached on the lead month ETI Contract, all related instruments will be halted. If a price fluctuation limit is reached on the non-lead month ETI Contracts, only the specific instrument which reached the price fluctuation limit will be halted.

(1) Each hour, a Reference Price is calculated for each Contract using the Lead Month settlement procedures outlined in Rule 906(b)(ii)(1) (the "Reference Price").

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Settlement. The ETI Contract is cash settled

(1) Daily Settlement Price of the Contract, which is an Exchange Futures Contract based on a cryptocurrency, will be determined pursuant to the process set forth in Exchange Rule 906(b)(ii)

(2) On the day of expiration, the Final Settlement of the Contract, which is an Exchange Futures Contract based on a cryptocurrency, will be determined pursuant to the process set forth in Exchange Rule 906(c)(ii).