

# coinbase DERIVATIVES

June 13, 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(a) Certification: Modifications to Crypto Futures Anchor Partner Program**

**Coinbase Derivatives, LLC Submission #2024-30**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“**CFTC**” or “**Commission**”) Regulation 40.6(a), Coinbase Derivatives, LLC (the “**Exchange**”) hereby submits for self-certification modifications to its Crypto Futures Anchor Partner Program (the “**Program**”), originally filed with the Commission as #2023-15. The purpose of the Program is to incentivize liquidity and volume in the Exchange’s products. The terms and conditions of the Program are set forth in Exhibit A, attached hereto, and will become effective on July 1, 2024.

### Compliance with Core Principles

The Exchange has reviewed the designated contract market (“**DCM**”) core principles (“**Core Principles**”) set forth in the Commodity Exchange Act and the CFTC rules thereunder and has identified that the following Core Principles that may be directly implicated by the Program:

*Core Principle 2 -- Compliance with Rules and Core Principle 4 -- Prevention of Market Disruption*

All trading on the Exchange, including any trading and related activity by participants under the Program, is subject to the Exchange Rulebook (the “**Rulebook**”) including Chapter 5, which prohibits fraud, non-competitive trading, market manipulation and abusive and disruptive trade practices. Capitalized terms not otherwise defined herein are defined in the Rulebook. Additionally, as with all trading on the Exchange, trading in the Program’s products will be subject to monitoring and surveillance by the Market Regulation Department, which has the authority to investigate and enforce Exchange rules, as described in Chapter 7.

*Core Principle 9 -- Execution of Transactions*

The Program’s products are listed for trading on the Exchange’s trading system, which provides for efficient, competitive, and open execution of transactions pursuant to the Exchange rules.

# coinbase DERIVATIVES

## *Core Principle 12 -- Protection of Markets and Market Participants*

Chapters 4 and 5 of the Rulebook require all Participants, including those participating in the Program, to observe high standards of integrity, market conduct, commercial honor, fair dealing, and just and equitable principles of trade and prohibits, among other things, fraud, non-competitive trading, market manipulation, and abusive and disruptive trade practices. As with all contracts traded on the Exchange, trading in the Program's products will be subject to monitoring and surveillance by the Market Regulation Department and compliance with the Program will be monitored and enforced by the Exchange.

## *Core Principle 18 – Recordkeeping*

Records related to the Program will be maintained by the Exchange in compliance with its recordkeeping policies and the requirements of the Commodity Exchange Act and CFTC Rules.

## Certification

The Exchange is not aware of any substantive opposing views to the Program. The Exchange certifies that the Program complies with the Commodity Exchange Act and the rules and regulations promulgated thereunder.

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](mailto:jane.downey@coinbase.com).

Sincerely,

/s/

Jane Downey  
Chief Regulatory Officer

Attachment: Appendix A

## APPENDIX A

### Crypto Futures Anchor Partner Program

(additions underlined; deletions ~~stricken through~~)

#### Program Purpose:

The purpose of the Crypto Futures Anchor Partner Program (the “**Program**”) is to support the development of the products listed below by increasing volume and liquidity in the Exchange’s central limit order book and, therefore, benefit all Participants in the market. Specifically, this Program aims at increasing activity from end-users.

#### Product Scope:

Bitcoin (BTI) and Ether Futures (ETI)<sup>1</sup>

Product (Symbol)	Bitcoin (BTI)	Ether (ETI)
Contract size	1	10
Contract Notional	~\$ <u>70</u> 25,000	~\$ <u>40</u> 48,000
Min tick size (\$ value)	5 index pts (\$5)	0.50 pts (\$5)

#### Eligible Participants:

The Program is limited to “Market Makers” and “Professional Traders” as defined in the Exchange’s Rulebook (referred to herein as “**Eligible Participants**”). All applicants are subject to review and approval by the Exchange’s onboarding team.

#### Program Term:

The Program becomes effective on July~~January~~ 1, 2024 and ends on December 31~~June 30~~, 2024.

#### Obligations:

[REDACTED]

#### Monitoring and Termination of Status

The Exchange will monitor each Program Participant’s trading activity and performance and retains the right to revoke the Participating Participant’s status if it determines that an Program Participant failed to meet the obligations of the Program.

---

<sup>1</sup> The Program shall exclude nano Bitcoin Futures and nano Ether Futures. The Exchange may in its discretion extend the Product Scope to include any Exchange listed futures products. If extended, reasonable notice will be provided to Eligible Participants.