

coinbase DERIVATIVES

March 28, 2025

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 Rule 533 (Position Limit, Position Accountability, Reportable Level, and Volume Threshold Level Table)

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), Coinbase Derivatives, LLC (the “Exchange”) hereby submit for self-certification modifications to Exchange Rule 533 as set forth in Appendix A. The purpose of the modifications is to clarify that Exchange position limits shall not exceed federal position limits for the applicable contracts and to identify which Exchange contracts are subject to federal position limits. The modifications will become effective April 11, 2025. Each capitalized term used and not defined herein shall have the meaning set forth in the Exchange Rulebook (as amended, supplemented or otherwise modified from time to time in accordance with its provisions) (the “Rulebook”).

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 modification:

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

All trading on the Exchange, including those conducted by affiliated Participants or otherwise, 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. Additionally, all trading on the Exchange, regardless of affiliation to the Exchange, 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 7 - Availability of General Information

The Exchange shall continue to publish on its website the Rulebook and the modifications to Rule 530.

Core Principle 10 - Trade Information

The Rule modifications continue to require that the appropriate Participants maintain a record of orders that reflect the terms of the order, and such other information required under this Core Principle.

Core Principle 12 - Protection of Markets and Market Participants

Chapters 4 and 5 of the Rulebook require all market Participants, affiliated or otherwise, 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 on the Exchange will be subject to monitoring and surveillance by the Market Regulation Department and enforced by the Exchange regardless of affiliation with the Exchange.

Certification

The Exchange is not aware of any substantive opposing views to the modification of this Rule. The Exchange certifies that this modification 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.

Sincerely,

/s/

Jane Downey
Chief Regulatory Officer

Attachments: Appendix A

APPENDIX A

Rulebook

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

CHAPTER 5: TRADING PRACTICES AND BUSINESS CONDUCT

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RULE 533. Position Limit, Position Accountability, Reportable Level, and Volume Threshold Level Table

The reportable levels for all Contracts covering Position Limit, Position Accountability, and Reportable Level are listed in the table below, ~~and Volume Thresholds will be made available to Market Participants.~~ For Contracts deemed a “core reference futures contract” or “referenced contract” (collectively “Referenced Contract”) as defined in CFTC Regulation 150.1 for federal position limits per CFTC Regulation 150.2, the Exchange shall not set a position limit in excess of the federal position limit for that Contract. To the extent there is a conflict between Exchange position limits and federal position limits, federal position limits control. Additionally, no position limit may be exceeded on an intraday or end-of-day basis, unless an exemption has been obtained from the Market Regulation Department.

Product	CDE Code	Contract Size	Aggregate Into Futures	Aggregate Ratio	Exchange Reporting Level	Position Limit	<u>CFTC Referenced Contract</u>
nano Bitcoin Futures	BIT	0.01	BTI	100 BIT = 1 BTI	25	20,000 (BTI Aggregate) three (3) Business Days prior to the contract's expiration	<u>No</u>
Bitcoin Futures	BTI	1	BTI	N/A	25		
nano Ether Futures	ET	0.1	ETI	100 ET = 1 ETI	25	40,000 (ETI Aggregate)	<u>No</u>
Ether Futures	ETI	10	ETI	N/A	25		
Bitcoin Cash Futures	BCH	1	BCH	N/A	25	14,000	<u>No</u>
Litecoin Futures	LC	5	LC	N/A	25	10,000	<u>No</u>
Dogecoin Futures	DOG	5,000	DOG	N/A	25	20,000	<u>No</u>
Stellar Futures	XLM	5,000	XLM	N/A	25	3,000	<u>No</u>
Avalanche Futures	AVA	10	AVA	N/A	25	20,000	<u>No</u>
Chainlink Futures	LNK	50	LNK	N/A	25	6,000	<u>No</u>
Polkadot Futures	DOT	100	DOT	N/A	25	7,500	<u>No</u>
1k Shib Futures	SHB	10,000,000	SHB	N/A	25	30,000	<u>No</u>
Hedera	HED	5,000	HED	N/A	25	5,000	<u>No</u>

nano Solana	SOL	5	SLC	20 SOL = 1 SLC	25	3,500 SLC Aggregate	<u>No</u>
Solana	SLC	100	SLC	N/A	25		
Gold Futures	GOL	1	GOL	N/A	200	600,000	<u>Yes</u>
Silver Futures	SLR	50	SLR	N/A	150	300,000	<u>Yes</u>
nano Crude Oil Futures	NOL	10	OIL	10 NOL = 1 OIL	350	40,000 three (3) days prior to the end of trading in the spot month	<u>Yes</u>
Micro Crude Oil Futures	OIL	100	OIL	N/A	350	40,000 three (3) days prior to the end of trading in the spot month	<u>Yes</u>

APPENDIX A

Rulebook

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Litecoin Futures	LC	5	LC	N/A	25	10,000	No
Dogecoin Futures	DOG	5,000	DOG	N/A	25	20,000	No
Stellar Futures	XLM	5,000	XLM	N/A	25	3,000	No
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