

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: Listing of the Gold Futures Contract Supplemental to Coinbase Derivatives, LLC Submission #2024-21

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), Coinbase Derivatives, LLC (the “Exchange”) hereby submits supplemental information to Listing of the Gold Futures Contract (the “Contract” or “GOL”) previously filed with the Commission on May 15, 2024. The purpose of the supplemental filing is to provide additional information regarding compliance with CFTC Core Principles 3 and 5, as detailed in Appendix A.

Certification

The Exchange is not aware of any substantive opposing views to the Rule Amendments. The Exchange certifies that the Rule Amendments comply 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/filings>.

If you have any questions or require further information, please contact the undersigned at Jane.Downey@coinbase.com.

Sincerely,

/s/ Jane Downey
Chief Regulatory Officer

Attachment: Appendix A

Appendix A

Core Principle 3 -- Contracts Not Readily Subject to Manipulation

The Gold future is based on the long-established and highly liquid COMEX Gold Futures contract (GC). The GC contract offers transparent pricing and is traded on a central limit order book. With daily trading volumes of more than 250,000 contracts and open interest of over 500,000 contracts¹, it would be difficult to manipulate the price of the underlying contract.

The Gold Futures Contract is based on NYMEX GC futures.

Core Principle 5 -- Position Limits or Accountability

The Contract shall be subject to a position limit of no more than 600,000 GOL Futures, with a reportable level of 200 Contracts. The position limit is comparable to limits imposed on the NYMEX GC contract. By way of providing context, a 600,000 GOL position would represent \$1.38B.

Cash Market Summary and Deliverable Supply

Depositories for the COMEX Gold Futures contract are required to report the level of exchange grade inventory on a daily basis. The inventory shall include eligible and registered metal.

The Exchange is basing its analysis off of Registered and Eligible reported gold stocks for the COMEX GC contract, to which this contract final settles.

Eligible metal means all such metal that is acceptable for delivery against the respective COMEX Gold futures contract for which a warrant has not been issued. Registered metal means eligible metal for which a warrant has been issued.

The Exchange is basing its estimates of deliverable supply of gold on registered stock as well as such gold stock meeting all specifications of the COMEX Gold futures contract stored at exchange approved depositories. The Exchange recognizes that gold is used as an investment vehicle and as such some gold stock may be held as a long-term investment. In an effort to represent a conservative deliverable supply, the Exchange will discount the Eligible gold stock by 50%.

According to warehouse and depository stock reports², as of March 27, 2025, the total registered gold is 22,384,576 troy ounces. After applying a 50% discount, the total eligible gold is 10,391,867 troy ounces. Therefore the total deliverable supply is 32,776,444 troy ounces or 32,776,444 GOL contracts.

The Exchange position limit of 600,000 GOL contracts is 1.8% of the deliverable supply.

¹ Based on data observed on the CME website May 4, 2024

²

<https://www.cmegroup.com/clearing/operations-and-deliveries/registrar-reports.html?redirect=/market-data/reports/registrar-reports.html>