

coinbase DERIVATIVES

LMX Labs, LLC d/b/a Coinbase Derivatives

August 25, 2023

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 Submission #2023-11

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“**CFTC**” or “**Commission**”) Regulation 40.6(a), LMX Labs, LLC, d/b/a Coinbase Derivatives (the “**Exchange**”) hereby submits for self-certification modifications to its Crypto Futures Anchor Partner Program (the “**Program**”) which was initially certified by the CFTC on June 7, 2023, under the name “Coinbase Derivatives’ Submission 2023-4E”. Modifications to the terms and conditions of the Program are set forth in Appendix A, attached hereto, and will become effective on September 11, 2023.

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.

Core Principle 12 -- Protection of Markets and Market Participants

Chapters 4 and 5 of the Rulebook require all market 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.

Sincerely,

/s/

Jane Downey
Chief Regulatory Officer

Attachment: Appendix A

APPENDIX A

Crypto Futures Anchor Partner Program

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 for products the Exchange aims to launch in 2023.

Product Scope:

Bitcoin and Ether Futures (excluding nano Bitcoin and nano Ether Futures)

Product (Symbol)	Bitcoin (BTI)	Ether (ETI)
Contract size	1	10
Contract Notional	~\$25,000	~\$18,000
Min tick size (\$ value)	5 index pts (\$5)	0.50 pts (\$5)

Eligible Participants:

The Program is limited to “Professional Traders” as defined on the [CDE Fee Schedule](#). Those participating in an existing CDE market maker program or broker program are not eligible. All applicants are subject to review and approval by the exchange onboarding team.

Program Term:

The Program becomes effective on the launch date of Bitcoin and Ether Futures June 7, 2023 and ends on December 31, 2023 (the “Term”), unless otherwise extended by the Exchange.

Obligations:

[REDACTED]

Monitoring and Termination of Status

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