

# coinbase DERIVATIVES

October 15, 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 Rule 906**

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 non-substantive amendments to the Exchange Rules as set forth on the attached Appendix A, implemented during the week of October 7, 2024:

- Updated Rule 906(b)(iii) and 906(c)(iii) to move a portion of the Rule to an enumerated section.

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

### Rulebook

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

#### CHAPTER 9: CLEARING

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#### Rule 906. Daily and Final Settlement Prices

\* \* \*

##### (b) Daily Settlement Price

\* \* \*

- (iii) For all Exchange metal Futures Contracts, the following applies, unless otherwise indicated. Daily Settlement for Gold Futures Contracts occurs at 12:30 CT.

##### (1) Lead Month

- (a) If a Trade occurs in the sixty (60) seconds prior to ~~12:30 PM CT~~, the Daily Settlement, it will be calculated using the VWAP of such Trades, rounded to the nearest tradable tick.
- (b) If there are no Trades during this time, the Exchange will use the TWAP of the Futures Contract's midpoint of the bid/ask from the sixty (60) seconds prior to Daily Settlement 12:30 PM CT, rounded to the nearest tradable tick.
- (c) If a two-sided market is not available, market data made publicly available on other CFTC-registered designated contract markets will be used.
- (d) If publicly available market data is not available, the last Traded price of the current trade day will be used.
- (e) If there are not any Trades for that day, the Contract will use the prior day's settlement price.

##### (2) Non-Lead Month

- (a) If a Trade occurs in the sixty (60) seconds prior to ~~12:30 PM CT~~, the Daily Settlement, it will be calculated using the VWAP of such Trades, rounded to the nearest tradable tick.
- (b) If there are no Trades during this time, but the spread trades during the last minute prior to Daily Settlement between 12:29 PM -- 12:30 PM CT, then the spread VWAP is calculated, rounded to the spread's nearest tradable tick, and then applied to the lead month's settlement to derive the Future Contract's Daily Settlement Price.
- (c) In the absence of this, the Exchange will use the TWAP of the Futures Contract's midpoint of the bid/ask from the sixty

- (60) seconds prior to Daily Settlement ~~12:30 PM CT~~, rounded to the nearest tradable tick.
- (d) If a two-sided market is not available during this time, the last spread Trade price is applied to the lead month settlement to derive the Daily Settlement Price.
- (e) If this can not be calculated, the Exchange will use market data made publicly available on other CFTC-registered designated contract markets.

(c) Final Settlement Price

\* \* \*

- (iii) For all Exchange metal Futures Contracts, the following applies, unless otherwise indicated. Expiration will occur the same Business Day as the Final Settlement of the Contract, which is the Business Day following the Contract's Termination of Trading. The Final Settlement Price shall be set to the publicly available daily settlement value of:
- (1) the NYMEX Gold future (GC) at the Termination of Trading of the Gold Contract, as specified in ~~the relevant Rule 1113.~~ Expiration will occur the same Business Day as the Final Settlement of the Contract, which is the Business Day following the Contract's Termination of Trading.

## Appendix A

Rulebook

(Clean)

### CHAPTER 9: CLEARING

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#### Rule 906. Daily and Final Settlement Prices

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##### (b) Daily Settlement Price

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- (iii) For all Exchange metal Futures Contracts, the following applies, unless otherwise indicated. Daily Settlement for Gold Futures Contracts occurs at 12:30 CT.

##### (1) Lead Month

- (a) If a Trade occurs in the sixty (60) seconds prior to the Daily Settlement, it will be calculated using the VWAP of such Trades, rounded to the nearest tradable tick.
- (b) If there are no Trades during this time, the Exchange will use the TWAP of the Futures Contract's midpoint of the bid/ask from the sixty (60) seconds prior to Daily Settlement, rounded to the nearest tradable tick.
- (c) If a two-sided market is not available, market data made publicly available on other CFTC-registered designated contract markets will be used.
- (d) If publicly available market data is not available, the last Traded price of the current trade day will be used.
- (e) If there are not any Trades for that day, the Contract will use the prior day's settlement price.

##### (2) Non-Lead Month

- (a) If a Trade occurs in the sixty (60) seconds prior to the Daily Settlement, it will be calculated using the VWAP of such Trades, rounded to the nearest tradable tick.
- (b) If there are no Trades during this time, but the spread trades during the last minute prior to Daily Settlement, then the spread VWAP is calculated, rounded to the spread's nearest tradable tick, and then applied to the lead month's settlement to derive the Future Contract's Daily Settlement Price.
- (c) In the absence of this, the Exchange will use the TWAP of the Futures Contract's midpoint of the bid/ask from the sixty (60)

seconds prior to Daily Settlement, rounded to the nearest tradable tick.

- (d) If a two-sided market is not available during this time, the last spread Trade price is applied to the lead month settlement to derive the Daily Settlement Price.
- (e) If this can not be calculated, the Exchange will use market data made publicly available on other CFTC-registered designated contract markets.

\* \* \*

(c) Final Settlement Price

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- (iii) For all Exchange metal Futures Contracts, the following applies, unless otherwise indicated. Expiration will occur the same Business Day as the Final Settlement of the Contract, which is the Business Day following the Contract's Termination of Trading. The Final Settlement Price shall be set to the publicly available daily settlement value of:
  - (1) the NYMEX Gold future (GC) at the Termination of Trading of the Gold Contract, as specified in Rule 1113.