



SEF Rules

| Submitter Information | |
|---|---|
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| Submitted By Fkenck1 | Email Address fran@trueex.com |
| Cover Sheet | |
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| CFTC 2019-03S Certain Rulebook Amendments (Bitcoin).pdf | |
| Request For Confidential Treatment - Detailed Written Justification | |
| N/A | |



July 15, 2019

Via CFTC Portal

Christopher J. Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**RE: trueEX LLC Self-Certification of Rule Amendments – Physically Deliverable Bitcoin Swaps
(trueEX LLC submission #2019-03S)**

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the “Act”), and Commission Regulation 40.6(a), trueEX LLC (“trueEX” or the “Exchange”) hereby submits to the U.S. Commodity Futures Trading Commission (the “Commission”) certain rulebook amendments related to the Bitcoin Physically Delivered Swap to be listed on the trueDigital Division of trueEX. These rule amendments are listed in the table below. trueEX is submitting this certification after having extensive discussion with Commission staff in the Division of Market Oversight, Division of Swap Dealer and Intermediary Oversight, and the Division of Clearing and Risk over the course of many months as provided for in CFTC Staff Advisory 18-14. This contract will be listed on the trueEX SEF on the trueDigital Division. As such, only Eligible Contract Participants may trade this product. This contract is deemed to be a Permitted Transaction as it is not subject to the trade execution requirement in section 2(8)8 of the Act.

Summary of Amendments:

| trueEX Rule | Nature of Amendment |
|---|--|
| <p>Rule 101. Definitions</p> <ul style="list-style-type: none">• Amended the following definitions:<ul style="list-style-type: none">○ “Settlement Agent, trueDigital Opening Price, “Reporting Counterparty”, “Settlement Services Agreement”, “trueDigital Opening Price” | <p>Definitions were added or amended as necessary due to changes made in Chapter 12 trading protocols for the listing of the trueDigital Products (CFTC Regulation 37.400)</p> |



| | |
|---|--|
| <ul style="list-style-type: none"> • Added the following definitions: <ul style="list-style-type: none"> ○ “Prime Broker” ○ “Prime Broker Trade” ○ “Triggering Event” ○ “trueDigital Reference Rate” ○ “trueDigital Spot Price Change” | |
| <ul style="list-style-type: none"> • Rule 545. SDR Reporting | Non-substantive clarifying amendments. |
| <p>Chapter 12 trueDigital Division</p> <ul style="list-style-type: none"> ○ Notes ○ Rule 1203. Settlement Agent ○ Rule 1204. Execution Methods ○ Rule 1205. Trade Cancellation and Price Adjustments ○ Rule 1206. Price Limits and Trading Halts ○ Rule 1207. Margin for trueDigital Products and Early Termination Events ○ Rule 1210. Final Settlement Procedures for trueDigital Deliverable Swap Products ○ Rule 1215. XBT/USD Monthly Deliverable Swap | Rules were added or amended as necessary due to changes made in trading protocols for the listing of the trueDigital Products (CFTC Regulation 37.400), specifically the trueDigital Physically Deliverable Bitcoin Swap |

Each rule amendment summarized above is detailed in the redlined excerpts of the Exchange’s Rulebook attached as Exhibit A-1, with the final wording attached as Exhibit A-2 to this letter.

trueEX certifies that these rules amendments comply with the Act and the Commission’s regulations thereunder, including the guidance issued by the Commission in CFTC Staff Advisory 18-14. trueEX’s analysis of the operation, purpose and effect of the proposed rule changes and their compliance with the Act, core principles and Commission’s regulations thereunder is included in the table above. There were no substantive opposing views expressed by the trueEX governing board or market participants to the rule amendments

trueEX certifies that this certification has been concurrently posted on the Exchange’s Web Site at <http://www.trueex.com/rules-and-notice>. These rules amendments will be effective no earlier than July 26, 2019.



If you have questions regarding this notice, please contact me at (312) 320-8934 or by email at fran@trueex.com.

Sincerely,

A handwritten signature in black ink that reads "Fran Kenck". The signature is written in a cursive style with a large, prominent "F" and "K".

Fran Kenck
Chief Compliance Officer

Attachments:

Exhibit A-1 – Rule Amendments (marked)

Exhibit A-2 – Rule Amendments (clean)

EXHIBIT A-1

CHAPTER 1 DEFINITIONS

RULE 101. Definitions

“Prime Broker” means a Person that agrees to permit a Participant to enter Orders on the Prime Broker’s behalf for the risk of the Prime Broker, and where the Participant (for itself or on behalf of its Customer or Client) intends to enter into a back-to-back transaction with the Prime Broker, as the case may be, pursuant to a Settlement Services Agreement between the parties providing for this limited agency relationship.

“Prime Broker Trade” means an Uncleared Transaction executed on the SEF Trading System between a Prime Broker and a counterparty with which the Prime Broker has a Settlement Services Agreement.

“Reporting Counterparty” has the meaning set forth in Rule 545.

“Settlement Agent” shall mean a Person acceptable to the Exchange that (a) provides cash settlement services for Participants and their Customers and/or Clients for final settlement of trueDigital Products; (b) provides cash settlement services throughout the lifecycle of a Transaction, including margining, if Participants and their Customers and/or Clients are unable to do so, (c) set, monitor, and manage collateral limits for Participants and their Customers and/or Clients on the SEF Trading System, and/or (d) provide prime brokerage services to allow for Participants to enter into Prime Broker Trades on the SEF Trading System if the Settlement Agent is a Prime Broker.

~~“Settlement Agent Trade” shall mean each trade Transaction that results when a is given up to the Settlement Agent, and the Settlement Agent, acting as a matched principal, such an accepted Transaction and replaces it with two new trades in which Settlement Agent faces each counterparty of the Transaction, executed pursuant subject to the Rules and the terms and conditions of the Settlement Services Agreement.~~

“Triggering Event” shall mean a Triggering Bid or a Triggering Offer.

“Triggering Offer” shall have the meaning set forth in Rule 1206.

“trueDigital Division” shall mean a separate operating group within trueEX LLC offering digital asset Contracts for trading.

“trueDigital Deliverable Swap Product” shall mean the deliverable Contract described in Rule 1215.

“trueDigital Opening Price” shall mean a price that is calculated by the Exchange each Trading Day by taking the sum of (a) Daily Settlement Price from the prior Trading Day and (b) the trueDigital Spot Price Change. On the first Trading Day of a newly listed Maturity Date for a Contract, the Daily Settlement Price used in the determination of the Opening Price shall be calculated by the Exchange using market standard cost of carry methodology, the price of the first Transaction in a Contract during the trueDigital Opening Period. If no Transaction occurs during the Opening Period then, the trueDigital Opening Price shall be the average of the first bid and offer in a Contract that occur during the trueDigital Opening Period. If no bids or offers are made for a Contract during the trueDigital Opening Period, then the trueDigital Opening Price shall be the Daily Settlement Price for that Contract on the prior Trading Day.

~~“trueDigital Opening Period” shall mean the period of time beginning at the start of Trading Hours for a trueDigital Product and ending five minutes after the start of Trading Hours in a trueDigital Product.~~

“trueDigital Reference Rate” shall mean the trueDigital OTC Reference Rate available at <https://indices.truedgtl.com/indices>.

“trueDigital Spot Price Change” shall mean a number calculated by the Exchange each Trading Day by subtracting (a) the average of trueDigital Reference Rate 30 second interval prices during the five minute period beginning 4:25 pm and ending 4:30 pm (New York local time) on the Trading Day prior to the date on which such number is calculated, from (b) the average of the trueDigital Reference Rate 30 second interval prices for the five minute time period before the start of Trading Hours.

RULE 545. SDR Reporting

(a) **Transmitting and Reporting Data.** The Platform shall transmit Real-Time Data and report all Required Swap Creation Data to an SDR, as soon as technologically practicable after execution of such swap on or subject to the rules of the Exchange. The Exchange reports all Real-Time Data and Required Swap Creation Data for each swap to the same SDR.

(b) **Non-Disclosure.** The Exchange shall not disclose Real-Time Data of any swap executed on or pursuant to the rules of the Platform prior to public dissemination of such Real-Time Data by an SDR in accordance with CFTC Regulations.

(c) **Required Swap Continuation Data.**

(i) CFTC Regulation Part 45 requires Continuation Data to be reported to the same ~~SDR~~~~swap Data Repository~~ referenced in Rule ~~102(i)~~~~401(a)(1)~~ during the life of any Transaction.

(ii) Pursuant to CFTC Regulation § 45.4(c), Required Swap Continuation Data for any Uncleared Transaction, whether or not the Transaction is executed on the SEF Trading System, will be reported to the SDR by the Reporting Counterparty.

(iii) The Exchange will have no obligation to fulfill any requirements to report Required Swap Continuation Data for any Participant, including Valuation Data.

(iv) If the Exchange fulfills any requirements to report Required Swap Continuation Data for any ~~Participant~~~~counterparty~~ that is a Reporting Counterparty, such ~~Reporting Counterparty~~~~Participant~~ will at all times remain responsible for the performance of any and all regulatory reporting requirements imposed on such ~~Reporting Counterparty~~~~Participant~~ under CFTC Regulation Part 45.

(d) **Correcting Real-Time Data.**

(i) If a Reporting ~~CounterP~~party becomes aware, whether through the initiative of the Reporting ~~CounterP~~party or through notice by the non-reporting counterparty to the swap, of an error or omission in Real-Time Data that was transmitted by the Platform to an SDR, the Reporting ~~CounterP~~party shall promptly submit to the Exchange, Real-Time Data correcting such error or omission and notify the Exchange of the need to correct the original Real-Time Data transmitted to the relevant SDR. The Reporting ~~CounterP~~party shall make such submission to the Exchange by email to regulatory@trueex.com.

(ii) If the Exchange becomes aware of an error or omission in Real-Time Data transmitted by it to an SDR, or receives notification from the Reporting ~~CounterP~~party pursuant to sub-paragraph (i), the Exchange shall promptly transmit Real-Time Data correcting such error or omission to the same SDR to which incorrect Real-Time Data was transmitted through such SDR’s webservice or such other method as provided by the SDR.

(e) Correcting Required Swap Creation Data. The Exchange shall report corrections to any errors and omissions in Required Swap Creation Data that were transmitted by the Exchange to the SDR through the SDR's webservice or such other method as provided by the SDR. Corrections of errors or omissions in Required Swap Creation Data shall be reported to the relevant SDR as soon as technologically practicable after discovery of any such errors or omissions.

(f) Improper Cancellation or Correction. The Exchange shall not transmit or agree to transmit to an SDR a cancellation or correction to Real-Time Data with knowledge that the purpose of re-reporting such Real-Time Data is to gain or extend a delay in public dissemination of accurate Real-Time Data or to otherwise evade the reporting requirements in this rulepart.

(g) Reporting CounterPparty Determination. For purposes of these rules, the term "Reporting CounterPparty" means, in respect of a swap executed on or pursuant to the Rules of the Exchange, the counterparty Participant that is the "reporting counterparty" after application of CFTC Regulation § 45.8. If both principal counterparties to a swap executed on or pursuant to the rules of the Exchange are Swap Dealers; or both are Major Swap Participants; or neither are Swap Dealers nor Major Swap Participants but both are financial entities as defined in CEA § 2(h)(7)(C); or neither are a financial entity as defined in CEA § 2(h)(7)(C), the Reporting CounterPparty shall be as follows:

(i) For Contracts that are listed by the Exchange in Chapter 10 of this Rulebook and the related schedules, the Reporting CounterPparty shall be the Participant-Person that is the fixed rate payer on the swap, and in respect of switches, the Reporting CounterPparty shall be the Personparty that is the purchaser of the switch. If both counterparties to a swap are non-Swap Dealer/non-Major Swap Participant counterparties and only one counterparty is a U.S. person, that counterparty who is the U.S. person shall be the Reporting eCounterparty.

(ii) For Transactions in Contracts that are listed by the Exchange in Chapter 12 of this Rulebook, the Reporting CounterPparty shall be the Personparticipant that is the buyer of the swap. If both counterparties to a swap are non-Swap Dealer/non-Major Swap Participant counterparties and only one counterparty is a U.S. person, that counterparty who is the U.S. person shall be the Reporting eCounterparty.

CHAPTER 12 TRUEDIGITAL DIVISION

Note: *Settlement Agents ~~are~~ may not be required to be registered with the CFTC. As such, the CFTC does not regulate or have any oversight responsibilities for the Settlement Agents or the Settlement Services Agreements between the Settlement Agents and trueEX Participants. However, a Settlement Agent whose services include acting as a Prime Broker intermediating trades for Participants and their Customers and/or Clients, may require CFTC registration. trueEx Participants should undertake their own due diligence to assess both the Settlement Agents and the terms and conditions of the Settlement Services Agreements.*

RULE 1201. Scope

This chapter applies to the trading of trueDigital Products on trueEX, which shall be subject to the trueEx's Rules, including this Chapter 12. In the event of an inconsistency between Chapters 1 through 10 and this Chapter 12, Chapter 12 shall govern. All trueDigital Products shall be Uncleared Transactions.

RULE 1202. Trading trueDigital Products

Prior to entering an Order for a trueDigital Product, each Participant shall have agreements in place, including a Settlement Services Agreement, that satisfy the requirements of these Rules, and comply with Order and RFQ entry requirements for Uncleared Transactions that the Exchange shall establish from time to time.

RULE 1203. Settlement Agent

(a) A Person is eligible to become, and continue to be, a Settlement Agent for trueDigital Products executed on or through trueEX by entering into a legally binding agreement with trueEX. The responsibilities of the Settlement Agent are to:

(i) Provide cash settlement services for Participants and their Customers and/or Clients for final settlement;

(ii) Provide cash settlement services throughout the lifecycle of a Transaction, including margining, if Participants and their Customers and/or Clients are unable to do so;

(iii) Set, monitor, and manage collateral limits for Participants and their Customers and/or Clients on the SEF Trading System and must use automated means to screen Orders using such collateral limits. trueEX shall provide Settlement Agent with means to facilitate such screenings via its Collateral Monitoring Tools, as described in Rule 1214;

(iv) Provide prime brokerage services to allow for Participants to enter into Prime Broker Trades on the SEF Trading System if the Settlement Agent is a Prime Broker.

(v) Assist the Exchange in any investigation into potential violations of the Rules or Applicable Law which occur through or with respect to any Transaction executed by its customers; provided that such assistance must be timely and may include the Settlement Agent being required to produce documents, to answer questions from the Exchange, or to appear in connection with an investigation;

(vi) Maintain all required and necessary regulatory approvals or licenses to operate as a Settlement Agent;

(vii) Notify the Exchange upon becoming aware of any material changes to the information or documentation provided to the Exchange; and

~~(iv)~~(viii) For any Person organized or located outside of the United States, such Person shall enter into a written agreement acceptable to the Exchange appointing a third party as its U.S. agent for service of process for purposes of CFTC Regulation §15.05, and shall provide the Exchange with a copy of the agreement and any change to such appointment.

(b) **Withdrawal.** A Settlement Agent may cease to act in that capacity subject to the termination provisions of its contractual agreement with the Exchange.

(c) A Settlement Agent shall be solely responsible for controlling and monitoring the use of all Admin IDs issued to its Authorized Users by the Exchange. Settlement Agent shall notify the Exchange promptly upon becoming aware of any unauthorized access to the Platform or any unauthorized disclosure or use of any Admin ID assigned to any of its Authorized Users and of any other reason for terminating an Authorized User's access or deactivating an Admin ID. Settlement Agent shall be bound by any actions taken by its Authorized Users (other than any such actions resulting from the fault or negligence of the Exchange), whether or not such actions were taken or authorized by such Settlement Agent.

(d) A Settlement Agent that has agreed to provide cash settlement services, including margining and final settlement, for trueDigital Products executed on trueEX by a Participant for its own account, or on behalf of the Participant's Customers or Clients, must establish collateral limits for the account(s) for which it settles Transactions, as applicable, and use automated means to screen Orders using such collateral limits. trueEX shall provide Settlement Agent with means to facilitate such screenings via its Collateral Monitoring Tools, as described in Rule 1214.

RULE 1204. Execution Methods

(a) Anonymous Order Book Functionality.

(i) All Orders are matched with each other and executed electronically through the SEF Trading System in accordance with an algorithm that gives first priority to Orders at the best price and priority among Orders entered at the same price based on the length of time such Order has been resting.

(ii) Orders to buy or sell any trueDigital Product are subject to subsection (d) of this Rule and the minimum trading requirements specified in the relevant Contract rules.

(iii) SEF Trading System shall perform a pre-trade collateral check on all Orders entered. If the Order is within the collateral limits set by the Settlement Agent, the Order shall be accepted, and is firm and executable.

(iv) All activity that takes place on Order Book of the SEF Trading System is anonymous and the names of the parties are not disclosed to the counterparties or to the market as a whole. ~~The names of the counterparties will be disclosed on a post-trade basis.~~

(v) Without limiting the generality of the foregoing, the algorithm to match Orders entered in the order book of the SEF Trading System is based upon the following principles:-

(A) Limit Order. A Limit Order will be executed when entered to the extent that there are resting contra-Orders, with any balance of such Limit Order to remain as a resting Order until such Limit Order is executed or is cancelled. Limit Orders must be entered with a user-defined limit price. All Limit Orders shall be cancelled by the SEF Trading System when an Authorized Trader logs out, and no later than at the conclusion of Trading Hours on each Trading Day.

(B) Spread Trade. A spread trade shall consist of a transaction which has two components that are executed simultaneously: first the purchase of one Maturity Date of a

given trueDigital Product, and second the sale of a different Maturity Date of the same trueDigital Product.

(vi) Modification and Cancellation of Orders shall be as provided in Rule 523.

(b) Request for Quote (“RFQ”) ~~Functionality~~

(i) The SEF Trading System provides RFQ functionality as a method of execution through Core RFQ.

(ii) RFQ allows a Requester to send an RFQ to buy or sell a Contract or Spread Trade to Respondents. trueEX has no restrictions on who is eligible to be a Requester or Respondent and provides all Participants with equal priority in receiving RFQs and responding to such RFQs. The protocols for executing a Transaction using Core RFQ can be found in Table 1204 below.

~~(ii)~~(iii) RFQ is a fully disclosed method of execution.

Table 1204 – Core RFQ Protocols

| General |
|---|
| <ul style="list-style-type: none"> • Transactions on Core RFQ can be 1 (outright), or 2 (Spread Trade) line items • Single Reference Asset per Transaction • <u>Each</u> Respondent knows how many other Respondents there are but their names and actions are not disclosed to each other, only to Requester. • There is no requirement for Requester to select best price or wait for all Respondents to provide a price. • If a Respondent changes or cancels a price, the original price is no longer actionable by the Requester. • Requester can send target level or request to refresh price to all active Respondents in RFQ session. |
| RFQ Workflow |
| <ol style="list-style-type: none"> 1. Requester transmits an RFQ to desired number of Respondents. <ul style="list-style-type: none"> ○ The session will automatically be cancelled if execution has not occurred by the earlier of 30 minutes from the time RFQ is sent, or market close. 2. Respondent(s) receive notification of RFQ and can take the following actions: <ul style="list-style-type: none"> ○ Pass (Respondent is not interested and will not receive any further updates on that specific RFQ session). ○ Submit a price to the Requester (and subsequently may update or cancel a price that has already been sent). ○ All prices sent by the Respondent are subject to Requester’s acceptance and final affirmation by Respondent before execution occurs. 3. Requester can take the following actions: <ul style="list-style-type: none"> ○ Cancel the RFQ session ○ Ask for prices to be refreshed ○ Accept one of the Respondent’s prices, which starts an Affirmation Session that lasts for 30 seconds. 4. When an Affirmation Session starts, the selected Respondent can take the following actions: <ul style="list-style-type: none"> ○ Execute. The execution must take place no later than 30 minutes after the initial RFQ was sent by Requester. ○ Update the price that was accepted. RFQ session returns to step 3 for action by Requester (including acceptance of price from other Respondent). ○ Cancel the price that was accepted |

- o Do nothing. Session expires

(c) Pre-Negotiated Trade Portal.

(i) A Person may arrange with another Person for the execution of a trueDigital Product listed on the SEF Trading System and submit such Transaction details to the Pre-Negotiated Trade Portal provided that they comply with Rule 524(c)(ii).

(ii) Transactions booked through the Pre-Negotiated Trade Portal are fully disclosed.

(d) Prime Broker Trades.

(i) Any Participant that elects to use the anonymous Order Book must have a relationship with a Prime Broker. In the event a trade is executed between two Participants using the same Prime Broker, upon execution, the buyer of the swap will be deemed to be acting on behalf of the Prime Broker and the seller of the swap will be deemed to be acting as principal.

(ii) A relationship with a Prime Broker is not required for any fully disclosed method of execution; provided however, that each party to the Transaction has previously-negotiated freestanding agreements with each other.

(iii) A Participant is not precluded from executing a Transaction using a fully disclosed method of execution as a Prime Broker Trade. In the event that a trade is executed between two Participants using the same Prime Broker, upon execution, the buyer of the swap will be deemed to be acting on behalf of the Prime Broker and the seller of the swap will be deemed to be acting as principal.

(iv) Notification of Prime Broker Trade. trueEX will provide a Transaction Confirmation pursuant to Rule 546 to the Prime Broker as counterparty to a Prime Broker Trade. The Participant acting on behalf of the Prime Broker must also notify the Prime Broker of a Prime Broker Trade if required to do so pursuant to the Settlement Services Agreement.

(e) Notwithstanding the foregoing, all Transactions executed in trueDigital Products are Permitted Transactions and pursuant to CFTC Regulation 37.9(c)(2), trueEX may offer any method of execution.

RULE 1205. Trade Cancellation and Price Adjustments

(a) Trade Cancellation and Price Adjustments.

(i) Subject to this Rule, the Board or a designee of the Board has authority to adjust trade prices or cancel (“bust”) trades on the trueDigital Division.

(ii) ~~Subject to this Rule, a Settlement Agent~~A Prime Broker shall have the right to cancel any Prime Broker Trade ~~Settlement Agent Trade, subject to the terms of paragraph (c).~~

(b) Trade Cancellation by the Board.

(i) The Board or a designee of the Board has authority to adjust trade prices or cancel (“bust”) trades on the trueDigital Division when such action is necessary to mitigate market disrupting events caused by the improper or erroneous use of the Platform, system defects, or for any reason deemed necessary by the Exchange needed to comply with Applicable Law.

(ii) trueDigital No Bust Ranges. The Board or a designee of the Board may not adjust trade prices or cancel (“bust”) trades on the trueDigital Division that fall within the following “no bust” ranges as determined by the Board or its designee.

| | |
|---------------------------------|---|
| Contract | No Bust Range |
| XBT/USD Deliverable Swap | The price equivalent of 5% of the average of the best bid and offer at the time of execution. |

(c) ~~Trade Cancellation by the Prime Broker Settlement Agent.~~ A ~~Prime Broker Settlement Agent~~ shall have the right to cancel a ~~Settlement Agent Prime Broker Trade~~ that:

~~(i) _____ is executed in excess of exceeds a limit, or giving effect to a Transaction such Settlement Agent Trade would exceed a limit, established by in the sole discretion of by the Settlement Agent Prime Broker with respect to the Prime Broker Trade Transaction Settlement Agent Trade,~~

~~_____ would, upon its acceptance, be subject to a Settlement Agent Agreement under which a Participant is in default or for which an event of default has occurred, is continuing, or becomes capable of being declared (“Defaulting Party”); provided, however, that if the other Participant to the Settlement Agent Trade is not a Defaulting Party (“Non-Defaulting Party”); Settlement Agent shall accept the transaction with respect to the Non-Defaulting Party;~~

~~(i)(ii) _____ was executed by a Participant not authorized by the Settlement Agent Prime Broker, and/or~~

~~(i)(iii) _____ was executed for a product not authorized by the Settlement Agent Prime Broker.~~

Provided that the ~~Prime Broker Settlement Agent~~ shall communicate the cancellation directly to the Exchange no later than 6 hours (as defined by each Prime Broker in its Settlement Services Agreement) ~~4 pm h New York local time on the Trading Day~~ after the ~~date-time~~ of execution of the ~~Prime Broker Trade Transaction Settlement Agent Trade~~, and indicate the reason for such cancellation.

(d) ~~Any Prime Broker Trade cancelled pursuant to section (c) above will be deemed to be void ab initio.~~

RULE 1206. Price Limits and Trading Halts

(a) Price Limits. trueDigital Products are not subject to daily price limits.

(b) Trading Halts. The following price movements in trueDigital Products shall be a triggering event that shall result in a trading halt. For the avoidance of doubt, in the event of a trading halt, the trading of all Maturity Dates of trueDigital Products with the same Trading symbol will cease and resting Orders in the affected trueDigital Product, existing at the time of the halt shall be automatically cancelled, as provided in Rule 523. For any given Trading Day, the triggering event(s) for trading halts shall be calculated based upon the trueDigital Opening Price, but may be adjusted by the Exchange, in its sole discretion, to account for price movements on the (a) Exchange when the prior calendar day is not a Trading Day and/or (b) underlying reference price, when price movements occur on a day which is not a Trading Day

(i) Trading in a trueDigital Product shall be halted for two minutes if:

(A) the best bid in a Maturity Date is less than the lowest offer in the order book and is 25% or more above the trueDigital Opening Price of that Contract provided that there is at least one existing offer by a Participant other than the Participant that entered such offer (the bid that triggers an initial trading halt and each related bid that triggers a subsequent trading halt, if any, a “Triggering Bid”); or

(B) the best offer in a Maturity Date is greater than the highest bid in the order book and is 25% or more below the trueDigital Opening Price of that Contract provided that there is at least one existing bid by a Participant other than the Participant that entered such bid (the offer that triggers an initial trading halt and each related offer that triggers a subsequent trading halt, if any, a “Triggering Offer”).

(ii) After trading commences following a two-minute trading halt, trading in the trueDigital Product shall be subject to an additional trading halt of three minutes if:

(A) the best bid in a Maturity Date is less than the lowest offer in the order book and is 10% or more above the most recent Triggering-BidEvent provided that there is at least one existing offer by a Participant other than the Participant that entered such offer ;
or

(B) the best offer in a Maturity Date is greater than the highest bid in the order book and is 10% or more below the most recent Triggering-Triggering EventOffer provided that there is at least one existing bid by a Participant other than the Participant that entered such bid.

(iii) After trading commences following an additional three-minute trading halt, trading in the trueDigital Product shall be subject to further trading halts, of a duration of five minutes apiece each time:

(A) the best bid in a Maturity Date is less than the lowest offer in the order book and is 10% or more above the price of the most recent Triggering EventBid provided that there is at least one existing offer by a Participant other than the Participant that entered such offer; or

(B) the best offer in a Maturity Date is greater than the highest bid in the order book and is 10% or more below the price of the most recent Triggering OfferEvent provided that there is at least one existing bid by a Participant other than the Participant that entered such bid.

RULE 1207. Margin for trueDigital Products and Early Termination Events

In ~~addition to complying~~ accordance with Applicable Law, Participants trading trueDigital Products must comply with the following margin and other requirements:

(a) Margin Requirements. The Exchange shall set minimum margin requirements for trueDigital Products at least weekly and will notify Participants and Settlement Agent of such requirements and the method of calculation. The margin methodology used by the Exchange will be made available to Participants upon request.

(b) Additional Margin. The Settlement Agent, in its discretion, may require additional margin in excess of the minimum set by the Exchange if so requested by the counterparties to a Transaction or as agreed in the Settlement Services Agreement or related documentation.

(c) Initial Margin. Each Trading Day the Exchange will promptly notify the Settlement Agent of the Daily Settlement Price. Upon receipt of the Daily Settlement Price, the Settlement Agent will calculate the value of new positions established that day and shall promptly notify each counterparty of the required amount of initial margin. Each counterparty shall promptly deliver collateral in an amount sufficient to cover the required amount of initial margin.

(d) Variation Margin. Each Trading Day, the Exchange will promptly notify the Settlement Agent of the Daily Settlement Price. Upon receipt of the Daily Settlement Price, the Settlement Agent will calculate the current valuation of all open positions and notify each counterparty of the required amount of variation margin. Each counterparty shall promptly deliver collateral in an amount sufficient to cover the required amount of variation margin.

(e) Forms of Margin. Collateral allowed to meet initial and variation margin Requirements must be in a form required pursuant to Applicable Law ~~and,~~ subject to the Settlement Services Agreement and any related documentation. ~~any limitations imposed by the Settlement Agent.~~

(f) Failure to Pay Margin. If a counterparty fails to promptly provide the required margin, the Settlement Agent and/or the opposite counterparty shall have the rights and remedies provided in the Settlement Services Agreement. The Settlement Agent may, in addition to actions set forth under paragraph (g) of this section, elect to reduce or eliminate credit limits for such counterparty. In addition, the Exchange, in its discretion, may take disciplinary action as set forth in Chapter 6 of the Rulebook.

(g) Early Termination Events or Events of Default. ~~In the event of a termination event or event of default with respect to one or more counterparties to a Prime Broker TradeSettlement Agent Trade, a Prime Broker Settlement Agent may terminate, effect early close-out, or take any other action with respect to one or more Settlement Agent TradesPrime Broker Trades in accordance with applicable law and as provided in the relevant agreements, including without limitation a Settlement Services Agreement. ~~In addition, Settlement Agent shall be permitted to execute Transactions in trueDigital Products with Participants for hedging or risk mitigation purposes in connection with an event of a termination event or event of default with respect to one or more counterparties to a Settlement Agent Trade.~~~~

RULE 1210. Final Settlement Procedures for trueDigital Deliverable Swap Products

(a) All counterparties taking part in the delivery process for trueDigital Deliverable Swap Products must have a relationship with a Settlement Agent for the purposes of holding fiat currency until delivery of the Reference Asset has been confirmed.

(b) Final Settlement Procedures for trueDigital Deliverable Swap Products shall be agreed between trueEX and each Settlement Agent. Such procedures shall be made available on the Exchange's website.

The following settlement process shall apply to trueDigital Deliverable Swap Products:

~~Initial Notice. No later than 7 pm New York local time on the Initial Notice Day, the Settlement Agent shall provide Initial Notice to its customers.~~

~~Final Notice. No later than 7 pm New York local time on the Last Trading Day, the Settlement Agent shall provide Final Notice to its customers, with a copy to the Exchange.~~

~~Any counterparty that disputes the settlement obligations stated in the Final Notice shall send a Delivery Dispute Notice to the opposite counterparty and the Settlement Agent no later than 11 am New York local time on the Pre Settlement Day.~~

~~The Settlement Agent shall provide a copy of the Delivery Dispute Notice to the Exchange no later than 11:30 am New York local time on the Pre Settlement Day.~~

~~The counterparties shall work in good faith with the Exchange to resolve the issues stated in the Delivery Dispute Notice. By no later than 4:30 pm New York local time, the counterparties shall notify the Exchange that they (1) agree with settlement obligations in the Final Notice, (2) have reached an agreement that provides for settlement obligations that are different from those stated in the Final Notice, or (3) they cannot reach an agreement. Counterparties that reach an agreement for settlement obligations different from the Final Notice shall submit the revised settlement obligations (“Amended Final Notice”) to the Exchange, with a copy to Settlement Agent, for approval. The Exchange shall approved or reject all Confirmed Final Notices no later than 5 pm New York local time.~~

~~If the counterparties are unable to agree on their settlement obligations by 4:30 pm New York local time on the Pre Settlement Day, then the Exchange will determine the settlement obligations of the counterparties and issue a determination no later than 5 pm New York local time (“Definitive Final Notice”).~~

~~Settlement Process:~~

~~No later than 11 am New York local time on Pre Settlement Day, the counterparties shall confirm to the Settlement Agent that (1) they agree with the settlement obligations in the Final Notice, (2) have exchanged and verified the Delivery Receiving Wallet and (3) are prepared for Delivery (“Delivery Readiness Notice”).~~

~~No later than 11:30 am on the Pre Settlement Day, the Settlement Agent will:~~

~~acknowledge receipt of Delivery Readiness Notice to the counterparties and authorize them to make Delivery, and~~

~~provide the Exchange with a report that indicates the status of all pending deliveries.~~

~~As soon as practicable after receipt of the Delivery Readiness Notice, and no later than 9:30 am New York local time, the buyer of the Reference Asset will fund the Settlement Amount.~~

~~The Settlement Agent will promptly confirm to counterparties that the Settlement Amount has been funded (“Delivery Funding Confirmation”).~~

~~As soon as practicable after Delivery Funding Confirmation and no later than 10 am New York local time, the seller of the Reference Asset will (1) initiate the transfer of Reference Asset to the Delivery Receiving Wallet, and (2) send notice (“Delivery Commencement Notice”) to the Settlement Agent that transfer of the Reference Asset has been initiated, and such Delivery Commencement Notice shall include, without limitation, the blockchain transaction ID.~~

~~As soon as practicable after Delivery Commencement Notice, the Settlement Agent will provide the buyer of the Reference Asset with a copy of the Delivery Commencement Notice.~~

~~The Settlement Agent shall monitor the transaction identification number on the blockchain and shall transfer the Settlement Amount to seller of the Reference Asset as soon as practicable after Delivery.~~

~~No later than 10:30 am New York local time on the Settlement Date, the Settlement Agent shall provide the Exchange with a report indicating the status of all pending deliveries.~~

~~No later than 9 pm New York local time on the Settlement Date, the Settlement Agent shall provide the Exchange with a list of all Settlements, that shall include, without limitation, the transaction identification number, counterparties, Settlement Amount, time of the transfer of the Settlement Amount, and the amount of Reference Asset.~~

~~(a)(c)~~ Settlement Failure. In the event that a counterparty fails~~ures~~ to fulfill ~~its~~~~their~~ settlement obligations, ~~(payment related to initial margin, variation margin, or Settlement Amount, or to deliver the Reference Asset)~~, then the opposite counterparty and/or the Settlement Agent shall have the rights and remedies provided in the Settlement Services Agreement. If a counterparty fails to deliver the Reference Asset, the final value of the Reference Asset ~~shall be~~ as ~~is~~ stated in the (a) Settlement Services Agreement, or (b) the Transaction Confirmation plus a premium ~~or fee~~ as agreed upon by the counterparties. In addition, the Exchange, in its discretion, may take disciplinary action for any such Settlement failure, as set forth in Chapter 6 of the Rulebook.

RULE 1215. XBT/USD Monthly Deliverable Swap

| | |
|---|---|
| Contract Description | This contract is a swap in which the counterparties agree to buy or sell, at a set price, a specified quantity of the Reference Asset at a specified future date. |
| Symbol | SWP-XBT-USD-[MYY] |
| Trading Division | trueDigital |
| Reference Asset | XBT – Bitcoin |
| Settlement Currency | USD - United States Dollar |
| Variation Margin Currency | USD - United States Dollar |
| Minimum Price Increment | 0.01 USD |
| Quoting Convention and Minimum Increment | Quantity Amount of Contracts, <u>quoted in whole numbers. Fractional number of Contracts is not permitted, which can include a fractional number of Contracts in excess of the Minimum Size, as agreed by the counterparties</u> |
| Contract Size | 1 XBT |
| Minimum Order Size | 10 Contracts |
| Minimum Size Precision | 10.001 Contracts |
| Trading Convention | Buy or sell in the amount of Contracts agreed upon by the counterparties |
| Trade Date | The date on which the parties enter the Transaction |
| Maturity Date | The last Friday of each of the nearest three-two serial months, and the nearest four two months in the quarterly cycle (Mar, Jun, Sep, Dec). |
| Margin | <u>Contracts are subject to mandatory margining pursuant to Rule 1207</u> |
| Initial Notice Day | One USNY business day -before the Last Trading Day |
| Initial Notice Day Business Day Convention | Preceding |
| Last Trading Day | One USNY business day before the Pre-Settlement Day |

| | |
|---|---|
| Last Trading Time | 4:30:00 pm New York local time on the Last Trading Day |
| Last Trading Day Business Day Convention | Preceding |
| Pre-Settlement Day | One USNY business day before the Maturity Date |
| Pre-Settlement Day Business Day Convention | Preceding |
| Settlement Date | The Maturity Date agreed upon by the parties, as specified in the Confirmation for the Transaction. |
| Settlement Date Business Day Convention | Following |
| Settlement Method | Physical delivery, as provided in Rule 1210 |
| Clearing House | None - Uncleared |
| Speculative Position Limits | <ul style="list-style-type: none"> • Overall Limit: 55,000 contracts in aggregate for all trueDigital XBT Products <u>for the same Reference Asset.</u> • Primary Contract Limit: 15,000 contracts in aggregate for the Primary Contract of all trueDigital XBT Products <u>for the same Reference Asset.</u> |
| Reportable Levels | 5 Contracts in aggregate for all trueDigital XBT Products <u>for the same Reference Asset.</u> |
| Trading Hours | Trading Hours will commence each Trading Day at 9 am New York local time and end each Trading Day at 5 pm New York local time, <u>with the exception of the Last Trading Day and Last Trading Time defined above.</u> |
| Holidays | US – New York (USNY) |

EXHIBIT A-2

CHAPTER 1 DEFINITIONS

RULE 101. Definitions

“Prime Broker” means a Person that agrees to permit a Participant to enter Orders on the Prime Broker’s behalf for the risk of the Prime Broker, and where the Participant (for itself or on behalf of its Customer or Client) intends to enter into a back-to-back transaction with the Prime Broker, as the case may be, pursuant to a Settlement Services Agreement between the parties providing for this limited agency relationship.

“Prime Broker Trade” means an Uncleared Transaction executed on the SEF Trading System between a Prime Broker and a counterparty with which the Prime Broker has a Settlement Services Agreement. “Reporting Counterparty” has the meaning set forth in Rule 545.

“Settlement Agent” shall mean a Person acceptable to the Exchange that (a) provides cash settlement services for Participants and their Customers and/or Clients for final settlement of trueDigital Products; (b) provides cash settlement services throughout the lifecycle of a Transaction, including margining, if Participants and their Customers and/or Clients are unable to do so, (c) set, monitor, and manage collateral limits for Participants and their Customers and/or Clients on the SEF Trading System, and/or (d) provide prime brokerage services to allow for Participants to enter into Prime Broker Trades on the SEF Trading System if the Settlement Agent is a Prime Broker.

“Triggering Event” shall mean a Triggering Bid or a Triggering Offer.

“Triggering Offer” shall have the meaning set forth in Rule 1206.

“trueDigital Division” shall mean a separate operating group within trueEX LLC offering digital asset Contracts for trading.

“trueDigital Deliverable Swap Product” shall mean the deliverable Contract described in Rule 1215.

“trueDigital Opening Price” shall mean a price that is calculated by the Exchange each Trading Day by taking the sum of (a) Daily Settlement Price from the prior Trading Day and (b) the trueDigital Spot Price Change. On the first Trading Day of a newly listed Maturity Date for a Contract, the Daily Settlement Price used in the determination of the Opening Price shall be calculated by the Exchange using market standard cost of carry methodology.

“trueDigital Reference Rate” shall mean the trueDigital OTC Reference Rate available at <https://indices.truedgtl.com/indices>.

“trueDigital Spot Price Change” shall mean a number calculated by the Exchange each Trading Day by subtracting (a) the average of trueDigital Reference Rate 30 second interval prices during the five minute period beginning 4:25 pm and ending 4:30 pm (New York local time) on the Trading Day prior to the date on which such number is calculated, from (b) the average of the trueDigital Reference Rate 30 second interval prices for the five minute time period before the start of Trading Hours.

RULE 545. SDR Reporting

(a) Transmitting and Reporting Data. The Platform shall transmit Real-Time Data and report all Required Swap Creation Data to an SDR, as soon as technologically practicable after execution of such swap on or subject to the rules of the Exchange. The Exchange reports all Real-Time Data and Required Swap Creation Data for each swap to the same SDR.

(b) Non-Disclosure. The Exchange shall not disclose Real-Time Data of any swap executed on or pursuant to the rules of the Platform prior to public dissemination of such Real-Time Data by an SDR in accordance with CFTC Regulations.

(c) Required Swap Continuation Data.

(i) CFTC Regulation Part 45 requires Continuation Data to be reported to the same SDRreferenced in Rule 102(i) during the life of any Transaction.

(ii) Pursuant to CFTC Regulation § 45.4(c), Required Swap Continuation Data for any Uncleared Transaction, whether or not the Transaction is executed on the SEF Trading System, will be reported to the SDR by the Reporting Counterparty.

(iii) The Exchange will have no obligation to fulfill any requirements to report Required Swap Continuation Data for any Participant, including Valuation Data.

(iv) If the Exchange fulfills any requirements to report Required Swap Continuation Data for any counterparty that is a Reporting Counterparty, such Reporting Counterparty will at all times remain responsible for the performance of any and all regulatory reporting requirements imposed on such Reporting Counterparty under CFTC Regulation Part 45.

(d) Correcting Real-Time Data.

(i) If a Reporting Counterparty becomes aware, whether through the initiative of the Reporting Counterparty or through notice by the non-reporting counterparty to the swap, of an error or omission in Real-Time Data that was transmitted by the Platform to an SDR, the Reporting Counterparty shall promptly submit to the Exchange, Real-Time Data correcting such error or omission and notify the Exchange of the need to correct the original Real-Time Data transmitted to the relevant SDR. The Reporting Counterparty shall make such submission to the Exchange by email to regulatory@trueex.com.

(ii) If the Exchange becomes aware of an error or omission in Real-Time Data transmitted by it to an SDR, or receives notification from the Reporting Counterparty pursuant to sub-paragraph (i), the Exchange shall promptly transmit Real-Time Data correcting such error or omission to the same SDR to which incorrect Real-Time Data was transmitted through such SDR's webservice or such other method as provided by the SDR.

(e) Correcting Required Swap Creation Data. The Exchange shall report corrections to any errors and omissions in Required Swap Creation Data that were transmitted by the Exchange to the SDR through the SDR's webservice or such other method as provided by the SDR. Corrections of errors or omissions in Required Swap Creation Data shall be reported to the relevant SDR as soon as technologically practicable after discovery of any such errors or omissions.

(f) Improper Cancellation or Correction. The Exchange shall not transmit or agree to transmit to an SDR a cancellation or correction to Real-Time Data with knowledge that the purpose of re-reporting such Real-Time Data is to gain or extend a delay in public dissemination of accurate Real-Time Data or to otherwise evade the reporting requirements in this rule.

(g) Reporting Counterparty Determination. For purposes of these rules, the term "Reporting Counterparty" means, in respect of a swap executed on or pursuant to the Rules of the Exchange, the counterparty that is the "reporting counterparty" after application of CFTC Regulation § 45.8. If both principal counterparties to a swap executed on or pursuant to the rules of the Exchange are Swap Dealers; or both are Major Swap Participants; or neither are Swap Dealers nor Major Swap Participants but both are

financial entities as defined in CEA § 2(h)(7)(C); or neither are a financial entity as defined in CEA § 2(h)(7)(C), the Reporting Counterparty shall be as follows:

(i) For Contracts that are listed by the Exchange in Chapter 10 of this Rulebook and the related schedules, the Reporting Counterparty shall be the Person that is the fixed rate payer on the swap, and in respect of switches, the Reporting Counterparty shall be the Person that is the purchaser of the switch. If both counterparties to a swap are non-Swap Dealer/non-Major Swap Participant counterparties and only one counterparty is a U.S. person, that counterparty who is the U.S. person shall be the Reporting Counterparty.

(ii) For Transactions in Contracts that are listed by the Exchange in Chapter 12 of this Rulebook, the Reporting Counterparty shall be the Person that is the buyer of the swap. If both counterparties to a swap are non-Swap Dealer/non-Major Swap Participant counterparties and only one counterparty is a U.S. person, that counterparty who is the U.S. person shall be the Reporting Counterparty.

CHAPTER 12 TRUEDIGITAL DIVISION

Note: *Settlement Agents may not be required to be registered with the CFTC. As such, the CFTC does not regulate or have any oversight responsibilities for the Settlement Agents or the Settlement Services Agreements between the Settlement Agents and trueEX Participants. However, a Settlement Agent whose services include acting as a Prime Broker intermediating trades for Participants and their Customers and/or Clients may require CFTC registration. trueEX Participants should undertake their own due diligence to assess both the Settlement Agents and the terms and conditions of the Settlement Services Agreements.*

RULE 1201. Scope

This chapter applies to the trading of trueDigital Products on trueEX, which shall be subject to the trueEX's Rules, including this Chapter 12. In the event of an inconsistency between Chapters 1 through 10 and this Chapter 12, Chapter 12 shall govern. All trueDigital Products shall be Uncleared Transactions.

RULE 1202. Trading trueDigital Products

Prior to entering an Order for a trueDigital Product, each Participant shall have agreements in place, including a Settlement Services Agreement, that satisfy the requirements of these Rules, and comply with Order and RFQ entry requirements for Uncleared Transactions that the Exchange shall establish from time to time.

RULE 1203. Settlement Agent

(a) A Person is eligible to become, and continue to be, a Settlement Agent for trueDigital Products executed on or through trueEX by entering into a legally binding agreement with trueEX. The responsibilities of the Settlement Agent are to:

- (i) Provide cash settlement services for Participants and their Customers and/or Clients for final settlement;
- (ii) Provide cash settlement services throughout the lifecycle of a Transaction, including margining, if Participants and their Customers and/or Clients are unable to do so;
- (iii) Set, monitor, and manage collateral limits for Participants and their Customers and/or Clients on the SEF Trading System and must use automated means to screen Orders using such collateral limits. trueEX shall provide Settlement Agent with means to facilitate such screenings via its Collateral Monitoring Tools, as described in Rule 1214;
- (iv) Provide prime brokerage services to allow for Participants to enter into Prime Broker Trades on the SEF Trading System if the Settlement Agent is a Prime Broker.
- (v) Assist the Exchange in any investigation into potential violations of the Rules or Applicable Law which occur through or with respect to any Transaction executed by its customers; provided that such assistance must be timely and may include the Settlement Agent being required to produce documents, to answer questions from the Exchange, or to appear in connection with an investigation;
- (vi) Maintain all required and necessary regulatory approvals or licenses to operate as a Settlement Agent;
- (vii) Notify the Exchange upon becoming aware of any material changes to the information or documentation provided to the Exchange; and

(viii) For any Person organized or located outside of the United States, such Person shall enter into a written agreement acceptable to the Exchange appointing a third party as its U.S. agent for service of process for purposes of CFTC Regulation §15.05, and shall provide the Exchange with a copy of the agreement and any change to such appointment.

(b) **Withdrawal.** A Settlement Agent may cease to act in that capacity subject to the termination provisions of its contractual agreement with the Exchange.

(c) A Settlement Agent shall be solely responsible for controlling and monitoring the use of all Admin IDs issued to its Authorized Users by the Exchange. Settlement Agent shall notify the Exchange promptly upon becoming aware of any unauthorized access to the Platform or any unauthorized disclosure or use of any Admin ID assigned to any of its Authorized Users and of any other reason for terminating an Authorized User's access or deactivating an Admin ID. Settlement Agent shall be bound by any actions taken by its Authorized Users (other than any such actions resulting from the fault or negligence of the Exchange), whether or not such actions were taken or authorized by such Settlement Agent.

(d) A Settlement Agent that has agreed to provide cash settlement services, including margining and final settlement, for trueDigital Products executed on trueEX by a Participant for its own account, or on behalf of the Participant's Customers or Clients, must establish collateral limits for the account(s) for which it settles Transactions, as applicable, and use automated means to screen Orders using such collateral limits. trueEX shall provide Settlement Agent with means to facilitate such screenings via its Collateral Monitoring Tools, as described in Rule 1214.

RULE 1204. Execution Methods

(a) Anonymous Order Book

(i) All Orders are matched with each other and executed electronically through the SEF Trading System in accordance with an algorithm that gives first priority to Orders at the best price and priority among Orders entered at the same price based on the length of time such Order has been resting.

(ii) Orders to buy or sell any trueDigital Product are subject to subsection (d) of this Rule and the minimum trading requirements specified in the relevant Contract rules.

(iii) SEF Trading System shall perform a pre-trade collateral check on all Orders entered. If the Order is within the collateral limits set by the Settlement Agent, the Order shall be accepted, and is firm and executable.

(iv) All activity that takes place on Order Book of the SEF Trading System is anonymous and the names of the parties are not disclosed to the counterparties or to the market as a whole.

(v) Without limiting the generality of the foregoing, the algorithm to match Orders entered in the order book of the SEF Trading System is based upon the following principles:

(A) Limit Order. A Limit Order will be executed when entered to the extent that there are resting contra-Orders, with any balance of such Limit Order to remain as a resting Order until such Limit Order is executed or is cancelled. Limit Orders must be entered with a user-defined limit price. All Limit Orders shall be cancelled by the SEF Trading System when an Authorized Trader logs out, and no later than at the conclusion of Trading Hours on each Trading Day.

(B) Spread Trade. A spread trade shall consist of a transaction which has two components that are executed simultaneously: first the purchase of one Maturity Date of a

given trueDigital Product, and second the sale of a different Maturity Date of the same trueDigital Product.

(vi) Modification and Cancellation of Orders shall be as provided in Rule 523.

(b) Request for Quote (“RFQ”)

(i) The SEF Trading System provides RFQ functionality as a method of execution through Core RFQ.

(ii) RFQ allows a Requester to send an RFQ to buy or sell a Contract or Spread Trade to Respondents. trueEX has no restrictions on who is eligible to be a Requester or Respondent and provides all Participants with equal priority in receiving RFQs and responding to such RFQs. The protocols for executing a Transaction using Core RFQ can be found in Table 1204 below.

(iii) RFQ is a fully disclosed method of execution.

Table 1204 – Core RFQ Protocols

| General |
|---|
| <ul style="list-style-type: none"> • Transactions on Core RFQ can be 1 (outright), or 2 (Spread Trade) line items • Single Reference Asset per Transaction • Each Respondent knows how many other Respondents there are but their names and actions are not disclosed to each other, only to Requester. • There is no requirement for Requester to select best price or wait for all Respondents to provide a price. • If a Respondent changes or cancels a price, the original price is no longer actionable by the Requester. • Requester can send target level or request to refresh price to all active Respondents in RFQ session. |
| RFQ Workflow |
| <ol style="list-style-type: none"> 1. Requester transmits an RFQ to desired number of Respondents. <ul style="list-style-type: none"> ○ The session will automatically be cancelled if execution has not occurred by the earlier of 30 minutes from the time RFQ is sent, or market close. 2. Respondent(s) receive notification of RFQ and can take the following actions: <ul style="list-style-type: none"> ○ Pass (Respondent is not interested and will not receive any further updates on that specific RFQ session). ○ Submit a price to the Requester (and subsequently may update or cancel a price that has already been sent). ○ All prices sent by the Respondent are subject to Requester’s acceptance and final affirmation by Respondent before execution occurs. 3. Requester can take the following actions: <ul style="list-style-type: none"> ○ Cancel the RFQ session ○ Ask for prices to be refreshed ○ Accept one of the Respondent’s prices, which starts an Affirmation Session that lasts for 30 seconds. 4. When an Affirmation Session starts, the selected Respondent can take the following actions: <ul style="list-style-type: none"> ○ Execute. The execution must take place no later than 30 minutes after the initial RFQ was sent by Requester. ○ Update the price that was accepted. RFQ session returns to step 3 for action by Requester (including acceptance of price from other Respondent). ○ Cancel the price that was accepted |

o Do nothing. Session expires

(c) Pre-Negotiated Trade Portal.

(i) A Person may arrange with another Person for the execution of a trueDigital Product listed on the SEF Trading System and submit such Transaction details to the Pre-Negotiated Trade Portal provided that they comply with Rule 524(c)(ii).

(ii) Transactions booked through the Pre-Negotiated Trade Portal are fully disclosed.

(d) Prime Broker Trades.

(i) Any Participant that elects to use the anonymous Order Book must have a relationship with a Prime Broker. In the event a trade is executed between two Participants using the same Prime Broker, upon execution, the buyer of the swap will be deemed to be acting on behalf of the Prime Broker and the seller of the swap will be deemed to be acting as principal.

(ii) A relationship with a Prime Broker is not required for any fully disclosed method of execution; provided however, that each party to the Transaction has previously-negotiated freestanding agreements with each other.

(iii) A Participant is not precluded from executing a Transaction using a fully disclosed method of execution as a Prime Broker Trade. In the event that a trade is executed between two Participants using the same Prime Broker, upon execution, the buyer of the swap will be deemed to be acting on behalf of the Prime Broker and the seller of the swap will be deemed to be acting as principal.

(iv) Notification of Prime Broker Trade. trueEX will provide a Transaction Confirmation pursuant to Rule 546 to the Prime Broker as counterparty to a Prime Broker Trade. The Participant acting on behalf of the Prime Broker must also notify the Prime Broker of a Prime Broker Trade if required to do so pursuant to the Settlement Services Agreement.

(e) Notwithstanding the foregoing, all Transactions executed in trueDigital Products are Permitted Transactions and pursuant to CFTC Regulation 37.9(c)(2), trueEX may offer any method of execution.

RULE 1205. Trade Cancellation and Price Adjustments

(a) Trade Cancellation and Price Adjustments.

(i) Subject to this Rule, the Board or a designee of the Board has authority to adjust trade prices or cancel (“bust”) trades on the trueDigital Division.

(ii) A Prime Broker shall have the right to cancel any Prime Broker Trade, subject to the terms of paragraph (c).

(b) Trade Cancellation by the Board.

(i) The Board or a designee of the Board has authority to adjust trade prices or cancel (“bust”) trades on the trueDigital Division when such action is necessary to mitigate market disrupting events caused by the improper or erroneous use of the Platform, system defects, or for any reason deemed necessary by the Exchange needed to comply with Applicable Law.

(ii) trueDigital No Bust Ranges. The Board or a designee of the Board may not adjust trade prices or cancel (“bust”) trades on the trueDigital Division that fall within the following “no bust” ranges as determined by the Board or its designee.

| Contract | No Bust Range |
|---------------------------------|---|
| XBT/USD Deliverable Swap | The price equivalent of 5% of the average of the best bid and offer at the time of execution. |

(c) Trade Cancellation by the Prime Broker. A Prime Broker shall have the right to cancel a Prime Broker Trade that:

- (i) is executed in excess of a limit established by the Prime Broker with respect to the Prime Broker Trade,
- (ii) was executed by a Participant not authorized by the Prime Broker, and/or
- (iii) was executed for a product not authorized by the Prime Broker.

Provided that the Prime Broker shall communicate the cancellation directly to the Exchange no later than 6 hours (as defined by each Prime Broker in its Settlement Services Agreement) after the time of execution of the Prime Broker Trade, and indicate the reason for such cancellation.

(d) Any Prime Broker Trade cancelled pursuant to section (c) above will be deemed to be *void ab initio*.

RULE 1206. Price Limits and Trading Halts

(a) Price Limits. trueDigital Products are not subject to daily price limits.

(b) Trading Halts. The following price movements in trueDigital Products shall be a triggering event that shall result in a trading halt. For the avoidance of doubt, in the event of a trading halt, the trading of all Maturity Dates of trueDigital Products with the same Trading symbol will cease and resting Orders in the affected trueDigital Product, existing at the time of the halt shall be automatically cancelled, as provided in Rule 523. For any given Trading Day, the triggering event(s) for trading halts shall be calculated based upon the trueDigital Opening Price, but may be adjusted by the Exchange, in its sole discretion, to account for price movements on the (a) Exchange when the prior calendar day is not a Trading Day and/or (b) underlying reference price, when price movements occur on a day which is not a Trading Day

(i) Trading in a trueDigital Product shall be halted for two minutes if:

(A) the best bid in a Maturity Date is less than the lowest offer in the order book and is 25% or more above the trueDigital Opening Price of that Contract provided that there is at least one existing offer by a Participant other than the Participant that entered such offer (the bid that triggers an initial trading halt and each related bid that triggers a subsequent trading halt, if any, a “Triggering Bid”); or

(B) the best offer in a Maturity Date is greater than the highest bid in the order book and is 25% or more below the trueDigital Opening Price of that Contract provided that there is at least one existing bid by a Participant other than the Participant that entered such bid (the offer that triggers an initial trading halt and each related offer that triggers a subsequent trading halt, if any, a “Triggering Offer”).

(ii) After trading commences following a two-minute trading halt, trading in the trueDigital Product shall be subject to an additional trading halt of three minutes if:

(A) the best bid in a Maturity Date is less than the lowest offer in the order book and is 10% or more above the most recent TriggeringEvent provided that there is at least one existing offer by a Participant other than the Participant that entered such offer ; or

(B) the best offer in a Maturity Date is greater than the highest bid in the order book and is 10% or more below the most recent Triggering Event provided that there is at least one existing bid by a Participant other than the Participant that entered such bid.

(iii) After trading commences following an additional three-minute trading halt, trading in the trueDigital Product shall be subject to further trading halts, of a duration of five minutes apiece each time:

(A) the best bid in a Maturity Date is less than the lowest offer in the order book and is 10% or more above the most recent Triggering Event provided that there is at least one existing offer by a Participant other than the Participant that entered such offer; or

(B) the best offer in a Maturity Date is greater than the highest bid in the order book and is 10% or more below the most recent Triggering Event provided that there is at least one existing bid by a Participant other than the Participant that entered such bid.

RULE 1207. Margin for trueDigital Products and Early Termination Events

In accordance with Applicable Law, Participants trading trueDigital Products must comply with the following margin and other requirements:

(a) Margin Requirements. The Exchange shall set minimum margin requirements for trueDigital Products at least weekly and will notify Participants and Settlement Agent of such requirements and the method of calculation. The margin methodology used by the Exchange will be made available to Participants upon request.

(b) Additional Margin. The Settlement Agent, in its discretion, may require additional margin in excess of the minimum set by the Exchange if so requested by the counterparties to a Transaction or as agreed in the Settlement Services Agreement or related documentation.

(c) Initial Margin. Each Trading Day the Exchange will promptly notify the Settlement Agent of the Daily Settlement Price. Upon receipt of the Daily Settlement Price, the Settlement Agent will calculate the value of new positions established that day and shall promptly notify each counterparty of the required amount of initial margin. Each counterparty shall promptly deliver collateral in an amount sufficient to cover the required amount of initial margin.

(d) Variation Margin. Each Trading Day, the Exchange will promptly notify the Settlement Agent of the Daily Settlement Price. Upon receipt of the Daily Settlement Price, the Settlement Agent will calculate the current valuation of all open positions and notify each counterparty of the required amount of variation margin. Each counterparty shall promptly deliver collateral in an amount sufficient to cover the required amount of variation margin.

(e) Forms of Margin. Collateral allowed to meet initial and variation margin Requirements must be in a form required pursuant to Applicable Law and subject to the Settlement Services Agreement and any related documentation. .

(f) Failure to Pay Margin. If a counterparty fails to promptly provide the required margin, the Settlement Agent and/or the opposite counterparty shall have the rights and remedies provided in the Settlement Services Agreement. The Settlement Agent may, in addition to actions set forth under paragraph

(g) of this section, elect to reduce or eliminate credit limits for such counterparty. In addition, the Exchange, in its discretion, may take disciplinary action as set forth in Chapter 6 of the Rulebook.

(g) Early Termination Events or Events of Default. In the event of a termination event or event of default with respect to one or more counterparties to a Prime Broker Trade, a Prime Broker may terminate, effect early close-out, or take any other action with respect to one or more Prime Broker Trades in accordance with applicable law and as provided in the relevant agreements, including without limitation a Settlement Services Agreement.

RULE 1210. Final Settlement Procedures for trueDigital Deliverable Swap Products

(a) All counterparties taking part in the delivery process for trueDigital Deliverable Swap Products must have a relationship with a Settlement Agent for the purposes of holding fiat currency until delivery of the Reference Asset has been confirmed.

(b) Final Settlement Procedures for trueDigital Deliverable Swap Products shall be agreed between trueEX and each Settlement Agent. Such procedures shall be made available on the Exchange's website.

(c) Settlement Failure. In the event that a counterparty fails to fulfill its settlement obligations (payment related to initial margin, variation margin, or Settlement Amount, or to deliver the Reference Asset), then the opposite counterparty and/or the Settlement Agent shall have the rights and remedies provided in the Settlement Services Agreement. If a counterparty fails to deliver the Reference Asset, the final value of the Reference Asset shall be as stated in the (a) Settlement Services Agreement, or (b) the Transaction Confirmation plus a premium or fee as agreed upon by the counterparties. In addition, the Exchange, in its discretion, may take disciplinary action for any such Settlement failure, as set forth in Chapter 6 of the Rulebook.

RULE 1215. XBT/USD Monthly Deliverable Swap

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| Contract Description | This contract is a swap in which the counterparties agree to buy or sell, at a set price, a specified quantity of the Reference Asset at a specified future date. |
| Symbol | SWP-XBT-USD-[MYY] |
| Trading Division | trueDigital |
| Reference Asset | XBT – Bitcoin |
| Settlement Currency | USD - United States Dollar |
| Variation Margin Currency | USD - United States Dollar |
| Minimum Price Increment | 0.01 USD |
| Quoting Convention | Quantity of Contracts, quoted in whole numbers. Fractional number of Contracts is not permitted. |
| Contract Size | 1 XBT |
| Minimum Order Size | 10 Contracts |
| Minimum Size Precision | 1 Contract |
| Trading Convention | Buy or sell in the amount of Contracts agreed upon by the counterparties |
| Trade Date | The date on which the parties enter the Transaction |
| Maturity Date | The last Friday of each of the nearest two serial months, and the nearest two months in the quarterly cycle (Mar, Jun, Sep, Dec). |
| Margin | Contracts are subject to mandatory margining pursuant to Rule 1207 |
| Initial Notice Day | One USNY business day before the Last Trading Day |
| Initial Notice Day Business Day Convention | Preceding |
| Last Trading Day | One USNY business day before the Pre-Settlement Day |
| Last Trading Time | 5:00 pm New York local time on the Last Trading Day |

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| Last Trading Day Business Day Convention | Preceding |
| Pre-Settlement Day | One USNY business day before the Maturity Date |
| Pre-Settlement Day Business Day Convention | Preceding |
| Settlement Date | The Maturity Date agreed upon by the parties, as specified in the Confirmation for the Transaction. |
| Settlement Date Business Day Convention | Following |
| Settlement Method | Physical delivery, as provided in Rule 1210 |
| Clearing House | None - Uncleared |
| Speculative Position Limits | <ul style="list-style-type: none"> • Overall Limit: 55,000 contracts in aggregate for all trueDigital Products for the same Reference Asset. • Primary Contract Limit: 15,000 contracts in aggregate for the Primary Contract of all trueDigital Products for the same Reference Asset. |
| Reportable Levels | 5 Contracts in aggregate for all trueDigital Products for the same Reference Asset. |
| Trading Hours | Trading Hours will commence each Trading Day at 9 am New York local time and end each Trading Day at 5 pm New York local time, with the exception of the Last Trading Day and Last Trading Time defined above. |
| Holidays | US – New York (USNY) |