



Market Notice

TO: Cboe Digital Exchange Trading Privilege Holders and Participants

FROM: Cboe Digital Market Operations Department

NOTICE: #24-22MN

DATE: September 20, 2024

SUBJECT: Cboe Digital Exchange Futures Market Maker and Default Auction Liquidity Provider Incentive Programs

This Market Notice serves to notify Trading Privilege Holders and Participants of Cboe Digital Exchange, LLC ("CDE" or "Exchange") that CDE plans to implement an amended Futures Market Maker Incentive Program ("Market Maker Program") for its financially-settled Bitcoin futures ("FBT") and its financially-settled Ether futures ("FET") effective the October 1, 2024 trade date, *subject to regulatory review*.

Additionally, the Exchange intends to select: one additional CDE Trading Privilege Holder to participate as Program Participant in its Market Maker Program; and one additional CDE Trading Privilege Holder to participate as a Default Auction Liquidity Provider ("DALP") in its DALP Incentive Program ("DALP Program") for FET and FBT, each to begin program participation on the November 1, 2024 trade date.

Market Maker Incentive Program Amendment

Effective the October 1, 2024 trade date, *subject to regulatory review*, the amended Market Maker Program introduces a 50% cap on the fixed portion of the incentive pool available to Program Participants that meet the monthly market making performance metrics under the Market Maker Program.

Futures Market Maker Incentive Program Selection

The Exchange will select an additional CDE Trading Privilege Holder to participate as a Program Participant in the Market Maker Program for FBT and FET beginning the November 1, 2024 trade date.

Under the Market Maker Program, the Exchange makes available a cash incentive pool to Program Participants that meet the Program minimum monthly performance metrics in FET and FBT allocated by product as 1) a fixed portion, and 2) a pro-rata portion based upon each Program Participant's volume. The monthly performance metrics include specific two-sided quoting requirements for certain size, spread, and time in the market applied to the front month or expiring contract depending on time to expiration.

Applications to be selected as a Program Participant in the Market Maker Program must be submitted to Digital.BizDev@cboe.com by **Friday, October 25, 2024**. Applications must be made via e-mail and contain a written request to be considered as a Program Participant in the Market Maker Program along with a description of the applicant's qualifications, which may include, but are not limited to, previous experience in trading futures contracts; ability to automatically and systematically provide two-sided markets for FBT and FET, adequacy of capital, operational capacity, and market performance commitments.

The Exchange will review all applications received by the October 25 application deadline and determine which applicant to appoint as a Program Participant under the Market Maker Program. The Exchange will consider the qualifications listed above, among other factors, in making its selection of a Program Participant.

The Exchange will notify each applicant of the determination relating to its application by **Monday, October 28, 2024**.

CDE Trading Privilege Holders, and participants looking to become CDE Trading Privilege Holders, that are interested in participating in the Market Maker Program may request more information regarding the application process and requirements of the Market Maker Program by contacting the CDE Sales team at digital.bizdev@cboe.com. Participants looking to become CDE Trading Privilege Holders may request more information regarding CDE membership by contacting the CDE Membership team at digital.mememrship@cboe.com.

Default Auction Liquidity Provider Incentive Program Selection

The Exchange will select an additional CDE Trading Privilege Holder to participate as a DALP in the DALP Program for FBT and FET beginning the November 1, 2024 trade date.

To receive the incentive payments offered under the DALP Program, a DALP is required to meet certain minimum participation thresholds in any default management auction that may be conducted by the Exchange's clearinghouse, Cboe Clear Digital, and meet certain monthly minimum quoting metrics in FET and FBT on the Exchange.

Applications to take part in the DALP Program must be submitted to Digital.BizDev@cboe.com by **Friday, October 25, 2024**. Applications must be made via e-mail and include a written request to be considered as a DALP in the DALP Program along with a description of the applicant's qualifications, which may include, but are not limited to, previous experience in trading futures contracts; ability to automatically and systematically provide two-sided markets for FBT and FET, adequacy of capital, operational capacity, and market performance commitments.

The Exchange will review all applications received by the October 25 application deadline and determine which applicant to appoint as a DALP under the DALP Program. The Exchange will consider the qualifications listed above, among other factors, in making its selection of a DALP.

The Exchange will notify each applicant of the determination relating to its application by **Monday, October 28, 2024**.

CDE Trading Privilege Holders, and Participants looking to become CDE Trading Privilege Holders, and are interested in participating as a DALP in the DALP Program may request more information about the application process and requirements of the DALP Program by contacting the CDE Sales team at Digital.BizDev@cboe.com. Participants looking to become CDE Trading Privilege Holders may request more information regarding CDE membership by contacting the CDE Membership team at digital.mememrship@cboe.com.

If you have any questions regarding this Exchange notice, please contact Cboe Digital Market Operations at digital.market.operations@cboe.com.