# CME Group

## Special Executive Report

**DATE:** **October 10, 2024**

**SER#:** **9439R**

**SUBJECT:** **Eligibility of Basis Trade at Index Close (“BTIC”) for the Bitcoin Friday Futures Contract**

(SER 9439R supersedes SER 9439 dated October 8, 2024, and is being issued to amend Exhibit C regarding Exchange fees. Exhibit C below is provided in blackline format. No other changes have been made to the original SER.)

Effective Sunday, October 27, 2024, for trade date Monday, October 28, 2024, and pending all relevant Commodity Futures Trading Commission (“CFTC”) regulatory review periods, Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) will enable Basis Trade at Index Close (“BTIC”) eligibility for the Bitcoin Friday Futures contract (the “Contract”) to the CME CF Bitcoin Reference Rate New York Variant (“BRRNY”) published at 4:00 p.m. New York time for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing on CME ClearPort as more specifically described below.

| **BTIC Transaction** | BTIC on Bitcoin Friday Futures |
|---|---|
| **BTIC Code** | BFB |
| **Rulebook Chapter** | CME 451 |
| **Underlying Futures Contract / Commodity Code** | Bitcoin Friday Futures / BFF |
| **Underlying Reference Rate** | CME CF Bitcoin Reference Rate New York Variant (BRRNY) |
| **Trading and Clearing Hours** | **CME Globex Pre-Open:** 4:45 p.m. - 5:00 p.m. Central Time (CT)<br>**CME Globex:** Sunday - Friday 5:00 p.m. - 4:00 p.m. CT with a 60-minute break each day beginning at 4:00 p.m. CT<br>**CME ClearPort:** Sunday 5:00 p.m. - Friday 5:45 p.m. CT with no reporting Monday - Thursday 5:45 p.m. – 6:00 p.m. CT |
| **Block Trade Minimum / Reporting Window** | 25 contracts / 15 minutes |
| **CME Globex Matching Algorithm** | F: First In First Out (FIFO) |

Specifically, CME will adopt Rule 45106. (“Basis Trade at Index Close (“BTIC”) Transactions”) in Chapter 451 (“Bitcoin Friday Futures”) (see Exhibit A), amend the related Trading at Settlement (“TAS”), Basis Trade at Index Close (“BTIC”), Basis Trade at Cash Open (“TACO”) and Trade Marker at Close (“TMAC”) Table (the “Table”) (see Exhibit B). The related Exchange fees are provided in Exhibit C (collectively, the “Rule Amendments”).

By way of background, CME initially listed the Bitcoin Friday Futures contract for trading on CME Globex and for submission for clearing via CME ClearPort effective on September 30, 2024 (see SER 9418 dated August 27, 2024).

Please refer questions on this subject to:


| | | |
|---|---|---|
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# Exhibit A

## CME Rulebook

(additions underscored)

## Chapter 451
## Bitcoin Friday Futures

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**45104. RESERVED**

**45105. RESERVED**

**45106. BASIS TRADE AT INDEX CLOSE ("BTIC") TRANSACTIONS**

All BTIC transactions must be executed in accordance with the requirements of Rule 524.B. For the purpose of this section and Rule 524.B., BTIC enables market participants to execute a basis trade relative to the closing level of the underlying Index value, at the time prescribed in the table below.

| Index to Be Referenced | Index Publication Time |
|---|---|
| CME CF Bitcoin Reference Rate - New York Variant "BRRNY" | 4:00 p.m. New York time |

**45106.A. Block Trade Requirements**

BTIC block trades must be executed in accordance with the requirements of Rule 526.

For a BTIC or BTIC block trade executed prior to the publication of the Index value on a given Trading Day, the corresponding futures price shall be made by reference to the Index value for the current Trading Day.

For a BTIC or BTIC block trade executed on a given Trading Day after the publication of the Index value, the corresponding futures price shall be made by reference to the Index value for the next Trading Day.

**45106.B. Price Assignment Procedures**

The price assignment procedure for BTIC transactions shall follow Rule 524.B.3.

**45106.C. Minimum Price Increments**

The valid basis or price increment applied to the Index value to establish the BTIC futures price shall be an integer multiple of the contract minimum price increment, $1.00 per bitcoin, equal to $0.02 per contract.

**45106.D. Market Disruption Events**

In the event of disruption in the underlying market that precludes a valid Index value calculation, all pending and executed BTIC transactions in the corresponding futures contract shall be cancelled by the Exchange. Such disruption shall be declared by the Exchange in its sole discretion.

(End Chapter 451)

## Exhibit B

### CME Rulebook

### Chapter 5

### (“Trading Qualifications and Practices”)

### Trading at Settlement (“TAS”), Basis Trade at Index Close (“BTIC”), Basis Trade at Cash Open (“TACO”) and Trade Marker at Close (“TMAC”) Table

(additions underscored)

| Cryptocurrency Futures | BTIC Symbol | Rulebook Chapter |
|---|---|---|
| **CME** | | |
| Bitcoin Friday (BRRNY 4:00 p.m. New York Fixing) | BFB | 451 |

## Exhibit C

### Exchange Fees

(deletions ~~struck through~~)

| Membership Type | Venue/Transaction Type | Fee |
|---|---|---|
| Individual Members<br>Clearing Members<br>Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries<br>Rule 106.I Members & Rule 106.I Qualified Affiliates<br>Rule 106.S Member Approved Funds | BTIC | $0.27 |
| Rule 106.D Lessees<br>Rule 106.F Employees | BTIC | $0.42 |
| Rule 106.R Electronic Corporate Members<br>(For other than CME Globex - Non-Member rates apply) | CME Globex BTIC | $0.44 |
| Rule 106.H and 106.N Firms | BTIC | $0. 47 |
| International Incentive Program (IIP) Participants<br>International Volume Incentive Program (IVIP) Participants<br>(For other than CME Globex - Non-Member rates apply) | BTIC | $0.53 |
| ~~Central Bank Incentive Program (CBIP) Participants~~<br>Latin American Fund Manager Incentive Program (FMIP) Participants<br>(For other than CME Globex - Non-Member rates apply) | BTIC | $0.53 |
| Non-Members | BTIC | $0.53 |

| Processing Fees | Fee |
|---|---|
| Position Adjustment/Position Transfer | $0.10 |
| Give-Up Surcharge | $0.05 |
| Facilitation Fee | $0.40 |