



Clearing Notice

TO: Cboe Clear Digital Clearing Members and Participants
FROM: Cboe Clear Digital Clearing Operations
NOTICE: #24-16CN
NOTICE DATE: November 22, 2024
SUBJECT: Default Auction Liquidity Provider Incentive Program

Overview

This Clearing Notice serves to notify Clearing Members and customers of Cboe Clear Digital, LLC ("Clearinghouse") that, effective January 1, 2025, subject to regulatory review, the Clearinghouse will offer the Default Auction Liquidity Provider ("DALP") Incentive Program ("DALP Program") for cash-settled Bitcoin futures ("FBT") and cash-settled Ether futures ("FET") currently listed on the Clearinghouse's affiliated designated contract market, Cboe Digital Exchange ("CDE" or "Exchange"). Please note, the Clearinghouse will be changing its name to "Cboe Clear U.S., LLC" effective December 1, 2024, subject to regulatory review. Please see Clearing Notice 24-15CN for more information regarding the Clearinghouse name change.

The Clearinghouse will select up to three DALPs to participate in the DALP Program. A participant eligible to become a DALP and participate in the DALP Program must be a Trading Privilege Holder of the Exchange ("CDE TPH") that either clears through a Clearing Member of the Clearinghouse or is a Clearing Member of the Clearinghouse. Additionally, all participating DALPs must enter into a DALP agreement with the Clearinghouse. To receive the incentive payments offered under the DALP Program, a participating DALP is required to meet certain minimum participation thresholds in any default management auction that may be conducted by the Clearinghouse and meet certain monthly minimum quoting metrics in FET and FBT on CDE.

DALP Program Selection Process and Approval

Applications to be appointed as a DALP participating in the DALP Program must be submitted to Digital.BizDev@cboe.com by Friday, December 20, 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 Clearinghouse will review all applications received by the December 20, 2024 application deadline and determine which applicants to appoint as DALP participants in the DALP Program. The Clearinghouse, in coordination with the Exchange, will consider the qualifications listed above, among other factors, in making its selection of DALPs.

The Clearinghouse will notify each applicant of the determination relating to its application by December 23, 2024.

Participants interested in becoming a DALP and participating in the DALP Program may request more information about the application process and requirements of the DALP Program by contacting the Sales team at Digital.BizDev@cboe.com.

Participants looking to become CDE Trading Privilege Holders, or a Clearing Member of the Clearinghouse may request more information regarding membership by contacting the Membership team at digital.memebrrship@cboe.com.