



## Market Notice

TO: Cboe Digital Exchange Trading Privilege Holders and Participants

FROM: Cboe Digital Market Operations Department

NOTICE: #24-25MN

DATE: November 22, 2024

SUBJECT: Cboe Digital Exchange Futures Default Auction Liquidity Provider Incentive Program

### Overview

This Market Notice serves to notify Trading Privilege Holders (“TPHs”) and Participants of Cboe Digital Exchange, LLC (“CDE” or “Exchange”) that the Default Auction Liquidity Provider (“DALP”) Incentive Program (“DALP Program”), currently for cash-settled Bitcoin futures (“FBT”) and cash-settled Ether futures (“FET”), will be renewed for 2025, *subject to regulatory review*. Upon renewal, effective January 1, 2025, the DALP Program will no longer be administered by CDE and, instead, the 2025 DALP Program will be administered by CDE’s affiliated derivatives clearing organization, Cboe Clear Digital (the “Clearinghouse”), *subject to regulatory review*. *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 terms and conditions of the DALP Program will not be changing upon renewal and transfer of the DALP Program to 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.

**All DALPs currently participating in the DALP Program that wish to participate in the 2025 DALP Program will be required to re-apply and go through the selection process for the 2025 DALP Program.** A participant eligible to become a DALP and participate in the DALP Program must be a CDE TPH that either clears through a Clearing Member of the Clearinghouse

or is a Clearing Member of the Clearinghouse. All participating DALPs must enter into a DALP agreement with the Clearinghouse for 2025, including any returning DALPs. All CDE TPHs and participants interested in becoming CDE TPHs are welcome to apply to become a DALP participant in the DALP Program. Current status as a DALP Program participant does not guarantee selection for participation in the 2025 DALP Program.

## DALP Program Selection Process and Approval

The Clearinghouse will select up to three DALPs to participate in the DALP Program. Applications to be appointed as a DALP participating in the DALP Program must be submitted to [Digital.BizDev@cboe.com](mailto: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 end of day on 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](mailto: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.memebship@cboe.com](mailto:digital.memebship@cboe.com).

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