

Cboe XBT Bitcoin Futures

Cboe Futures Exchange, LLC (CFE) launched trading in XBT futures on December 10, 2017, becoming the first U.S. Bitcoin Future. CFE is waiving all of its transaction fees for XBT futures in December 2017. For more information on pricing, visit the [CFE Fee Schedule webpage](#).

XBT futures are cash-settled futures contracts that are based on the auction price of bitcoin in U.S. dollars on the Gemini Exchange. XBT futures are designed to reflect economic exposure related to the price of bitcoin. The final settlement value for XBT futures will be the official auction price (rounded to the nearest penny) for bitcoin determined at 4:00 p.m. Eastern time on the final settlement date by the Gemini Exchange.

As an exchange-listed product, XBT futures provide a risk management tool for market participants seeking to hedge their underlying bitcoin holdings with a contract that settles directly to an underlying bitcoin auction price.

With the launch of the XBT futures contract, CFE provides:

- ▶ More price discovery and price transparency
- ▶ An exchange-listed, regulated and surveilled bitcoin product
- ▶ A risk management tool for cryptocurrency-holding participants
- ▶ Access to the bitcoin sector without a digital wallet requirement
- ▶ Settlement directly to the Gemini bitcoin auction price, rather than an average price

Cboe Global Markets, Inc. may explore additional cryptocurrency product opportunities, such as ETFs and cryptocurrency options in the future.

Below is a summary of product specifications for XBT, for full contract specifications, visit: <http://cfe.cboe.com/cfe-products/xbt-cboe-bitcoin-futures/contract-specifications>.

Summary Product Specifications Chart for Planned Cboe Bitcoin (USD) Futures

Contract Name:	Cboe Bitcoin (USD) Futures
Listing Date:	December 10, 2017
Description:	Cboe bitcoin (USD) futures are cash-settled futures contracts that are based on the Gemini Exchange auction (“Gemini Exchange Auction”) price for bitcoin in U.S. dollars.
Contract Multiplier:	The contract multiplier for the XBT futures contract is 1 bitcoin.
Ticker Symbols:	Futures Symbol – XBT Final Settlement Value Symbol – XBTS
Contract Expirations:	The Exchange may list for trading up to four near-term expiration weeks (“weekly” contracts), three near-term serial months (“serial” contracts), and three months on the March quarterly cycle (“quarterly” contracts). Initially the exchange will list three near-term serial months.

Trading Hours:

Type of Trading Hours	Monday	Tuesday - Friday
Extended	5:00 p.m. (Sunday) to 8:30 a.m.	3:30 p.m. (previous day) to 8:30 a.m.
Regular	8:30 a.m. to 3:15 p.m.	8:30 a.m. to 3:15 p.m.

The trading hours for an expiring XBT futures contract end at 2:45 p.m. on its final settlement date. All times referenced are Chicago time.

Minimum Price Intervals:

10.00 points USD/XBT (equal to \$10.00 per contract).
The individual legs and net prices of spreads in XBT futures may be in increments of 0.01 points USD/XBT (equal to \$0.01 per contract).

Trade At Settlement:

Trade at Settlement (“TAS”) transactions are not permitted in XBT futures.

Exchange of Contract for Related Position Transactions:

Exchange of Contract for Related Position (ECRP) transactions may be entered into with respect to XBT futures contracts. Any ECRP transaction must satisfy the requirements of CFE Rule 414. For any ECRP transaction in which the related position is bitcoin, the related position portion of the transaction must be consummated through the facilities of Gemini. The minimum price increment for an ECRP transaction involving the XBT futures contract is 0.005 points USD/XBT.

Block Trades:

Block Trades will be permitted in XBT futures commencing on Sunday, December 17, 2017, at 5:00 p.m. Chicago time and are not permitted prior to that time.

The minimum Block Trade quantity for the XBT futures contract is 50 contracts if there is only one leg involved in the trade.

The minimum price increment for a Block Trade in the XBT futures contract is \$0.005 points USD/XBT.

Final Settlement Date:

The Final Settlement Date for XBT futures is two business days prior to the third Friday of the month denoted by the ticker symbol.

Final Settlement Value:

The Final Settlement Value of an expiring XBT futures contract shall be the official auction price for bitcoin in U.S. dollars determined at 4:00 p.m. Eastern Time on the Final Settlement Date by the Gemini Exchange Auction.

Position Limits:

A person: (i) may not own or control more than 5,000 contracts net long or net short in all XBT futures contract expirations combined and (ii) may not own or control more than 1,000 contracts net long or net short in the expiring XBT futures contract, commencing at the start of trading hours 5 business days prior to the Final Settlement Date of the expiring XBT futures contract.

Reportable Position Level:

5 contracts.

Pricing Limits and Trading Halts:

XBT futures contracts are not subject to price limits.

Trading in XBT futures will be halted for 2 minutes if during regular or extended trading hours for XBT futures:

(A) the best bid in the XBT futures contract closest to expiration is 10% or more above the daily settlement price of that contract on the prior Business Day; or

(B) the best offer in the XBT futures contract closest to expiration is 10% or more below the daily settlement price of that contract on the prior Business Day.

After trading commences following such a halt, trading in XBT futures will be halted for 5 minutes if during regular or extended trading hours for XBT futures:

(A) the best bid in the XBT futures contract closest to expiration is 20% or more above the daily settlement price of that contract on the prior Business Day; or

(B) the best offer in the XBT futures contract closest to expiration is 20% or more below the daily settlement price of that contract on the prior Business Day.

The Exchange may extend the time period of a halt pursuant to above halt provisions or halt trading in XBT futures at any time pursuant to any other Exchange rule or policy.

Notwithstanding any of the above provisions, the Help Desk may, in its absolute and sole discretion, take any action it determines necessary to protect market integrity. For avoidance of doubt, this authority includes, but is not limited to, modifying or eliminating the above price movement parameters at any time and/or determining whether to halt or not to halt trading pursuant to the above halt provisions.

For additional information

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Futures trading is not suitable for all investors and involves the risk of loss. The risk of loss in futures can be substantial. You should, therefore, carefully consider whether such trading is suitable for you in light of your circumstances and financial resources. For additional information regarding futures trading risks, see the Risk Disclosure Statement set forth in [CFTC Regulation §1.55\(b\)](#). The information in this paper is provided for general education and information purposes only. No statement within this paper should be construed as a recommendation to buy or sell a futures contract or to provide investment advice. Supporting documentation for any claims, comparisons, statistics or other technical data in this paper is available by contacting Cboe at www.cboe.com/Contact. Cboe® and CFE® are registered trademarks and Cboe Global MarketsSM and XBTSM are service marks of Cboe Exchange, Inc. All other trademarks and service marks are the property of their respective owners.

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