



## Market Notice

TO: Cboe Digital Trading Privilege Holders and Participants

FROM: Cboe Digital Market Operations Department

NOTICE: #24-01MN

DATE: January 8, 2024

SUBJECT: **Updated** Market Maker Incentive Program and Default Auction Incentive

### Overview

This Market Notice serves to notify Trading Privilege Holders and Participants of Cboe Digital Exchange, LLC ("CDE" or "Exchange") that in connection with CDE's launch of margined futures the Exchange will offer two new incentive programs, *subject to regulatory review*. **Effective January 11, 2024**, CDE will offer a Futures Market Maker Incentive Program in financially-settled margined futures on Bitcoin ("FBT") and on Ether ("FET"). **Effective January 17, 2024**, CDE will offer a Futures Default Auction Liquidity Provider Incentive Program. The new incentive programs are detailed below.

### Futures Market Maker Incentive Program (**Updated**)

The Exchange will select **up to** three CDE Trading Privilege Holders to participate as Program Participants in the Futures Market Maker Incentive Program ("MM Program"). Under the MM Program, the Exchange will make available a cash incentive pool to be allocated pro-rata based on each Program Participant's volume, if they meet certain market making performance metrics each month in the Exchange's margined futures contracts. Applications to be selected as a Program Participant in the MM Program must be submitted by **Wednesday, January 10, 2024** to [Digital.BizDev@cboe.com](mailto:Digital.BizDev@cboe.com). Applications must be made via e-mail and contain a request to be considered as a Program Participant in the MM Program. The Exchange will review all applications received and determine which applicants to appoint as Program Participants under the MM Program. Factors to be considered by the Exchange in making

this selection may include, but are not limited to, each applicant's: previous experience in trading futures contracts; ability to automatically and systematically provide two-sided markets for FBT and FET futures; adequacy of capital; operational capacity; and market performance commitments. The Exchange will notify each applicant of the determination relating to its application **on Wednesday, January 10, 2024**.

**The Exchange may re-open the selection process at a future date.** CDE Trading Privilege Holders, and participants looking to become CDE Trading Privilege Holders, that are interested in participating in the MM Program can request more information regarding the application process and requirements of the MM Program by reaching out to the Cboe Digital Sales team at [Digital.BizDev@cboe.com](mailto:Digital.BizDev@cboe.com).

### **Futures Default Auction Liquidity Provider Incentive Program**

The Exchange will select up to three CDE Trading Privilege Holders to participate in the Futures Default Auction Liquidity Provider ("DALP") Incentive Program ("DALP Program"). To receive the incentive payments under the DALP Program, a Program Participant will be 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 on the Exchange. Applications to be selected as a Program Participant in the DALP Program must be submitted by **Wednesday, January 10, 2024** to [Digital.BizDev@cboe.com](mailto:Digital.BizDev@cboe.com). Applications must be made via e-mail and contain a request to be considered as a Program Participant in the DALP Program. The Exchange will review all applications received and determine which applicants to appoint as Program Participants under the DALP Program. The Exchange will notify each applicant of the determination relating to its application by **Friday, January 12, 2024**. Selected Program Participants are required to enter into a DALP Agreement with the Exchange's clearinghouse, Cboe Clear Digital.

**The Exchange may re-open the selection process at a future date.** For more information regarding the application process, criteria for selection, and requirements of the DALP Program, members can reach out to the Cboe Digital Sales team at [Digital.BizDev@cboe.com](mailto:Digital.BizDev@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).