



June 23, 2020

BY ELECTRONIC FILING

Mr. Christopher J. Kirkpatrick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**Re: Proprietary Trading Group Liquidity Provider Program Self Certification (Eris Exchange, LLC Submission #2020-06E)**

Dear Mr. Kirkpatrick:

Eris Exchange, LLC (“Eris Exchange” or the “Exchange”) hereby submits for self-certification to the Commodity Futures Trading Commission (the “Commission”), under Commission regulation 40.6(a), its new BTC and ETH Proprietary Trading Group Liquidity Provider Program (“Program”). The Program will become effective on or after July 9, 2020.

**Explanation and Analysis**

Exhibit A sets forth the terms of the Program.

**Description of Rule Changes**

Exchange Rule 517 permits the Exchange to establish liquidity provider programs. No rule changes are required at this time.

**Core Principle Compliance**

The Exchange’s staff has identified that the following designated contract market core principles (“Core Principles”) may be potentially impacted: Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants, and Compliance with Rules, and Recordkeeping.

The Program’s structure does not impact the Exchange’s ability to perform its trade practice and market surveillance obligations under the Act. The Program does not impact order execution priority or otherwise give participants any execution advantage. The Exchange’s market regulation staff will monitor trading under the Program to identify and prevent manipulative trading and market abuse. Products included in this Program are listed for trading in the open and



competitive market, and incentives under the Program do not adversely impact price discovery in the centralized market.

Incentives under the Program are given to proprietary trading groups who provide liquidity through streaming markets. The Program is open to qualified proprietary trading groups.

The Program is subject to trading rules found in the Exchange's Rulebook at Chapter 4, which prohibits fraudulent, non-competitive, unfair or abusive practices; and subject to Chapter 5, which governs trading practices and business conduct. Furthermore, the Program is subject to the Exchange's record retention policies, which comply with the Commodity Exchange Act. Trade or order activity by Program participants that violate Exchange rules will be disqualified from counting toward Program requirements, and Participants will be subject to potential disciplinary action, in accordance with Exchange rules and procedures.

### **Public Information**

A notice and copy of this submission is been concurrently posted on the Exchange's website at <https://www.erisx.com/regulation/exchange-notices/> under "CFTC Submissions."

### **Opposing Views**

This submission was provided to the Regulatory Oversight Committee, the Exchange Practices Committee, and the Exchange Participant Committee. There were no opposing views to this Program.

### **Certification**

Eris Exchange, LLC hereby certifies to the Commodity Futures Trading Commission, pursuant to the procedures set forth in Commission regulation §40.6, that this submission complies with the Commodity Exchange Act, as amended, and the regulations promulgated thereunder.

If you have any questions please feel free to contact the undersigned at the information below.

Sincerely,

/s/

Michael A. Piracci  
Senior Counsel  
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(646) 961-4486



## EXHIBIT A

### Proprietary Trading Group Liquidity Incentive Program (“Program”)

#### **Program Purpose**

The purpose of this Program is to incentivize proprietary trading groups to provide two-sided markets in the products listed below, enhancing electronic trading platform liquidity. Increased liquidity in contracts traded on Eris Exchange benefits all participants in the market.

#### **Product Scope**

Bitcoin Futures Contract (BTC), Ether Futures Contract (ETH), and Ether Bitcoin Futures Contracts (ETBT) available for trading on Eris Exchange (“Contracts”).

#### **Eligible Participants**

The Program is open to proprietary trading groups who 1) execute a Proprietary Trading Group Liquidity Incentive Program Agreement with the Exchange, 2) have experience trading digital currency products, 3) have demonstrable expertise in electronic execution, and 4) execute orders on their own behalf.

#### **Program Term**

The Program is expected to start on or after July 9, 2020. The end date will be six months after acceptance of the first participant(s), but no later than July 9, 2021. Each participant will be eligible to receive Program Incentives (see below) for a three month period during the Program Term. The Exchange reserves the right to revise the terms of the Program and to terminate the Program upon notice to all current participants.

#### **Hours**

Regular trading hours, as determined by the Exchange.

#### **Program Incentives**

[REDACTED]

#### **Monitoring and Termination of Status**

The Exchange will monitor trading and order activity and eligible participants’ performance and shall retain the right to revoke program eligibility and/or disqualify trades or trading activity not permitted under the Exchange Rulebook.



**EXHIBIT B**  
**[CONFIDENTIAL TREATMENT REQUESTED]**