



Market Notice

TO: Cboe Digital Exchange Futures Trading Privilege Holders and Participants
FROM: Cboe Digital Exchange Legal Department
NOTICE: #24-14MN
DATE: May 10, 2024
SUBJECT: Notification of Cboe Kaiko Index Update and Daily Settlement Price Process Update

This Market Notice serves to notify Trading Privilege Holders and Participants of Cboe Digital Exchange, LLC ("Cboe Digital Exchange" or "Exchange") of a change to the [Cboe Kaiko Rates](#) and the Exchange's Daily Settlement Price process, **effective 4:00pm CT on Friday, May 31, 2024**, *subject to regulatory review*.

Cboe Kaiko Rates Update

Cboe Digital Spot Market Data will be removed from the Cboe Kaiko Bitcoin Rate and the Cboe Kaiko Ether Rate after 4:00pm CT on May 31, 2024.

This change will not have an impact to daily trading or settlement of Cboe Digital Exchange futures products that settle to the Cboe Kaiko Rates, which include financially-settled margin futures on bitcoin (FBT) and financially-settled margin futures on Ether (FET). FBT and FET will continue to settle at 10:00am CT on the last Friday of the month to the relevant Cboe Kaiko Rate as stated in the products' [Contract Specifications](#).

Daily Settlement Price Process Update

The Exchange will remove the Cboe Digital Spot Market from the Daily Settlement Price process for FET and FBT after the close at 4:00pm CT on Friday, May 31, 2024. Beginning Monday, June 3, 2024, the Daily Settlement Price for FBT and FET will be calculated as follows (updates **bolded**):

- Based on a volume weighted average price of executed trades for the contract during the last minute of trading on each trading day;
- If no trades occur in the contract during the last minute of trading, the midpoint of the last best bid and offer available before the close of trading will be the daily settlement price; or
- If a two-sided market is not available during the last minute of trading, or the Exchange determines that the best bid and offer spread is too wide, then the Exchange will use a third-party index adjusted by the difference between the **previous day index value** and the previous day futures closing price.

Note that for FBT the third-party index used in the Daily Settlement Price process will continue to be the CoinDesk XB Index price and for FET the CoinDesk ETX Index price.

The Daily Settlement Price process is governed by Rule 906 of the Exchange Rulebook.

If you have any questions regarding this Exchange notice, please contact Cboe Digital Legal Department at digital.legal@cboe.com.