

January 11, 2021

VIA COMMISSION PORTALS

Christopher J. Kirkpatrick
Secretary, Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**Re: Commission Regulation 40.6(a) – Rule Certification
LedgerX LLC Submission No. 21-02**

Dear Mr. Kirkpatrick:

LedgerX LLC (“**LedgerX**”) hereby notifies the Commodity Futures Trading Commission (the “**Commission**”), pursuant to Section 5c(c) of the Commodity Exchange Act (the “**CEA**”) and Commission Regulation 40.6(a), that it is certifying the attached amendments to its Operations Manual. The attached amendments will become effective on January 27, 2021.

A concise explanation and analysis of the changes and amendments, and their compliance with applicable provisions of the CEA, including the Core Principles and the Commission’s Regulations, is attached hereto as Appendix A. Broadly speaking, LedgerX has revised its Operations Manual as follows:

1. **DCO Core Principle I and DCM Core Principle 20:** To reduce operational risk, LedgerX has further developed controls and procedures in the following areas:
 - a. The memorializing of various changes to the Operations Manual in a version control chart.
 - b. The replacing of specific “bitcoin” specific references with more general references to digital currency or the underlying blockchain.
 - c. The addition of references to futures trading in connection with order validation, product eligibility, and the collateralization of trades.
 - d. The management of treasury operations and collateral, including daily settlement, the processing of deposits and withdrawals, confirming adequate collateralization of both fiat currency and digital currency related positions, and the storage of collateral.
 - e. The segregation of funds and collection of fees.
 - f. The automation of various processes, including the application and admissions process, and the Participant due diligence process.
 - g. Risk management methodologies.
 - h. Procedures pertaining to security of the physical custody system.
 - i. Participant submissions of exercise instructions.
 - j. Calculation and notification of fees.

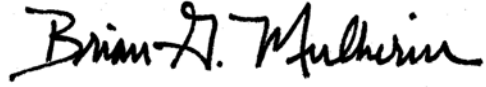
2. **DCO Core Principle E and DCM Core Principle 11:** To ensure adequate clearance and settlement procedures and the financial integrity of transactions, LedgerX has revised the handling of daily settlement procedures, including the processing of both deposits and withdrawals.
3. **DCO Core Principle F and DCM Core Principle 11:** To protect and ensure the safety of member and participant assets, and to protect customer funds, LedgerX has revised procedures in connection with the following:
 - a. The processing of exercise instructions.
 - b. Daily settlement procedures, including the processing of both deposits and withdrawals.
 - c. Collateral management, including determinations related to assessing full collateralization, and maintaining custody of collateral.
 - d. Procedures pertaining to security of the physical custody system.
 - e. Segregation of funds.
 - f. Collection of fees.
 - g. Participant submissions of exercise instructions.
4. **DCO Core Principle C and DCM Core Principle 2:**
 - a. In connection with establishing appropriate product eligibility standards, and establishing the terms and conditions of any contracts to be traded on LedgerX, the Operations Manual has been revised to address futures.
 - b. In connection with establishing appropriate admission standards and access requirements, LedgerX has revised its description of its AML/KYC review and screening process.
5. **DCO Core Principle B and DCM Core Principle 21:** To ensure LedgerX has adequate financial, operational, and managerial resources, LedgerX has reiterated its existing policy that orders can be canceled prior to being filled.

The changes and amendments to the Operations Manual are reflected in a redlined copy designated as Appendix B. The final version of the revised Operations Manual is attached at Appendix C.

LedgerX certifies that the changes and amendments comply with the CEA and Commission Regulations thereunder. LedgerX additionally certifies that it has concurrently posted a copy of this submission letter, and a redacted copy of the attachments hereto, on LedgerX's website at <https://ledgerx.com/>. LedgerX is not aware of any or substantive opposing views to the changes and amendments.

Please contact the undersigned at gc@ledgerx.com if you have any questions or you would otherwise like to discuss this further.

Sincerely,



Brian G. Mulherin
General Counsel, LedgerX LLC



FOIA CONFIDENTIAL TREATMENT REQUESTED BY LEDGERX LLC

Appendix B

REDACTED



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Appendix C

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