

coinbase DERIVATIVES

June 28, 2024

VIA CFTC Electronic Portal

Mr. Christopher J. Kirkpatrick
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

RE: CFTC Regulation 40.6(a) Certification: Modifications to Micro Crude Oil Futures Contract

Coinbase Derivatives Submission #2024-38

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“**CFTC**” or “**Commission**”) Regulation 40.6(a), Coinbase Derivatives, LLC (the “**Exchange**”) hereby submits for self-certification amendments to the Terms and Conditions for the Micro Crude Oil Futures Contract (the “**Contract**”), Exchange Rule 1105, as more specifically described below (the “**Rule Amendment**”). The Rule Amendment will become effective for trade date July 22, 2024.

The purpose of the Rule Amendment is to add a third trading month for the Contract in an effort to ensure that at the end of the month when the front month expires, there will remain two (2) contracts listed at any given time. Additionally, this Rule Amendment will align the Contract’s trading schedule with that of the Exchange’s nano Crude Oil Contract to help create consistency across the Exchange’s products. No other modifications are being made to the Contract.

Compliance with Core Principles

The Exchange has reviewed the designated contract market (“**DCM**”) core principles (“**Core Principles**”) set forth in the Commodity Exchange Act and the CFTC rules thereunder and has identified the following Core Principles that may be directly implicated by the Rule Amendments:

Core Principle 2 – Compliance with Rules and Core Principle 4 – Prevention of Market Disruption

All trading on the Exchange is subject to the Exchange Rulebook (the “**Rulebook**”) including Chapter 5, which prohibits fraud, non-competitive trading, market manipulation

and abusive and disruptive trade practices. Capitalized terms not otherwise defined herein are defined in the Rulebook. Additionally, as with all trading on the Exchange, trading is subject to monitoring and surveillance by the Market Regulation Department, which has the authority to investigate and enforce Exchange rules, as described in Chapter 7.

Core Principle 3 - Contracts Not Readily Subject to Manipulation

A review of the Contract shows that there is sufficient liquidity to support the addition of a third trading month. The Exchange continues to believe that the Contract is not subject to manipulation.

Core Principle 7 - Availability of General Information

The Exchange shall continue to publish on its website and in its Rulebook the specifications, terms, and conditions of the Contract.

Core Principle 8 - Daily Publication of Trading Information

The Exchange shall continue to publish on its website, on a daily basis, the trading volumes, open interest, and price information for the Contract.

Core Principle 9 – Execution of Transactions

The Contract will be listed for trading on the Exchange's trading system, which provides for efficient, competitive, and open execution of transactions pursuant to the Exchange Rulebook.

Core Principle 11 - Financial Integrity of Transactions

The Contract will be cleared by Nodal Clear, LLC, a CFTC registered derivatives clearing organization subject to the CFTC regulations related thereto.

Core Principle 12 – Protection of Markets and Market Participants

Chapters 4 and 5 of the Rulebook require all market participants to observe high standards of integrity, market conduct, commercial honor, fair dealing, and just and equitable principles of trade and prohibits, among other things, fraud, non-competitive trading, market manipulation, and abusive and disruptive trade practices. As with all contracts traded on the Exchange, the Contract will be subject to monitoring and surveillance by the Market Regulation Department.

Certification

The Exchange is not aware of any substantive opposing views to the Rule Amendments. The Exchange certifies that the Rule Amendments comply with the Commodity Exchange Act and the rules and regulations promulgated thereunder.

The Exchange certifies that this submission has been concurrently posted on the Exchange's website at: <https://www.coinbase.com/derivatives/filings>.

If you have any questions or require further information, please contact the undersigned at Jane.Downey@coinbase.com.

Sincerely,

/s/ Jane Downey
Chief Regulatory Officer

Attachment: Exhibit A

EXHIBIT A

(additions underlined; deletions ~~stricken through~~)

Rule 1105. Micro Crude Oil Futures

* * *

(b) Trading Schedule. The OIL Contract shall be offered for monthly trading in the front ~~two (2)~~ three (3) delivery months during such hours as the Exchange shall determine from time-to-time.

EXHIBIT A

(clean)

Rule 1105. Micro Crude Oil Futures

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(b) Trading Schedule. The OIL Contract shall be offered for monthly trading in the front three (3) delivery months during such hours as the Exchange shall determine from time-to-time.