

Confidential Draft

June 16, 2026

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

RE: Clear Markets North America, Inc.: Perpetual Swap Submission under CFTC Regulation 40.2

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 40.2, Clear Markets North America, Inc. ("CMSEF") hereby notifies the Commission of its intent to list Index-Based Perpetual Swaps ("CMSEF Perpetual Swaps") on its Swap Execution Facility ("SEF"), effective July [15], 2026 (the "Submission").

The Submission contains the following:

This Submission includes:

1. A summary of the CMSEF Perpetual Swap product specifications;
2. The proposed listing date of the CMSEF Perpetual Swaps;
3. A detailed analysis of compliance with relevant SEF Core Principles under Section 5h of the Commodity Exchange Act ("CEA");
4. A certification that a notice of this pending certification has been concurrently posted on CMSEF's website.

The Perpetual Swap Contracts described herein (the "Contracts") are listed pursuant to the rules of Clear Markets North America, Inc. ("CMSEF"), including but not limited to Chapter 3 (Trading Rules), Chapter 4 (Position Limits and Accountability), and Chapter 5 (Market Integrity and Surveillance) of the CMSEF Rulebook.

Capitalized terms used but not otherwise defined in this Submission have the meanings assigned in the CMSEF Rulebook.

I. Summary of Terms of the CMSEF Perpetual Swap

Contract Type	Index-Based Perpetual Swap
Underlying Asset	Bitcoin (BTC)
Reference Index	The underlying index for the Mark Price of BTC is the Clear Markets Kaiko BTC which is calculated by Kaiko Indices, a third-party calculation agent.
Maturity / Tenor	The Contract is a perpetual swap with no predetermined maturity or expiration date. Positions remain open indefinitely and are subject to ongoing funding payments until closed, terminated, or otherwise extinguished in accordance with the governing documentation.
Holiday Calendar	No holiday calendar applies.
Cleared	No, Uncleared
Quoting Currency	USD, USDC*
Quoting Convention	USD or USDC* per BTC
Minimum Price Increment (Tick Size)	Determined by the Participants
Trading Hours	The Contract shall be available for trading on a continuous, 24 hours per day, 7 days per week basis, including weekends and holidays, with no regularly scheduled market close, subject to SEF maintenance windows and risk controls. CMSEF retains authority to halt trading in the event of market disruption, system failure, or regulatory requirement.
Funding Rate and Payment Mechanism	The Contract incorporates a periodic funding payment mechanism designed to maintain alignment between the Contract price and the underlying Reference Index. At each Funding Timestamp, a payment is exchanged between counterparties based on the Funding Rate.
Reference Index Price	Means the value of the Clear Markets Kaiko BTC Perp Index at the relevant time.
Perpetual Contract Price	Traded Price (Reference Index Price ₀).

Funding Rate Calculation	At each Funding Timestamp, the Funding Rate shall be calculated by Party A, the Calculation Agent as follows: Calculating the funding rate requires three parameters: A. Reference premium How far the perp price deviates from the reference index. This is calculated as: $\text{Premium}_t = \text{Reference Index Price}_t - \text{Reference Index Price}_0$ B. Interest-rate component This is calculated as either (depending on the payment instrument): 1. $I = \text{USD funding rate}_t - \text{Crypto borrow rate}_t$ or 2. $I = \text{stablecoin borrow/lend rate}_t - \text{crypto borrow rate}_t$ For example, USD funding rate = SOFR. C. Payment frequency According to the Timestamp frequency. The funding rate F at time t is calculated as: $F_t = \alpha \times \text{Premium}_t + \beta \times \text{Interest Spread}_t$ Where α and β are <i>negotiated coefficients</i> that may be trade terms.
Funding Payment Calculation	The Funding Payment is calculated as: $\text{Funding Payment}_t = \text{Notional Value } \Delta_t \times F_t$ Where: $\text{Notional Value } \Delta_t = \text{Position Size} \times (\text{Reference Index Price}_t - \text{Reference Index Price}_0)$

	Reference Index Price ₀ is the Reference Index Price agreed at the time of trade execution.
Funding Interval	Means the period between Funding Timestamps. This can be every 1, 2, 3, 4, 6, 8, 12, or 24 hours, or as determined by Participants.
Funding Timestamps	Means the specified time at which the Funding Rate is calculated and applied, and corresponding payments are exchanged between counterparties. Funding Timestamps occur at fixed UTC times and are not adjusted for Business Days.
Settlement Method	Settlement in cash or stablecoins.
Settlement Currency	USD, USDC*
Contract / Position Size	Determined by Participants
Minimum Order Size	Determined by Participants
Governing Law	New York Law, or Determined by Participants
Position Limits	CMSEF will apply position accountability levels consistent with its Rulebook
Position Accountability and Reporting	CMSEF will apply position accountability levels consistent with its Rulebook

***Digital Asset Settlement Disclosure (USDC):**

In circumstances where the parties elect to denominate, margin, or settle a transaction in USD Coin (“USDC”) or any other stablecoin, participants should be aware that such digital assets are not issued, guaranteed, or regulated by the Commodity Futures Trading Commission (“CFTC”).

The use of USDC or other digital assets may involve additional risks, including but not limited to operational, custody, liquidity, legal, and counterparty risks. Participants are solely responsible for conducting their own due diligence and for determining the appropriateness of using such digital assets within the context of their bilateral agreements.

Stablecoin Value Risk (USDC):

In addition, USDC and other stablecoins are designed to maintain a stable value relative to the U.S. dollar but may, under certain market or operational conditions, deviate from a one-to-one (1:1) relationship with the U.S. dollar (“depeg”).

Such deviations may be temporary or sustained and could result from factors including, but not limited to, market stress, liquidity constraints, redemption limitations, or issues affecting the issuer or reserve assets.

Participants should consider the potential for such deviations when electing to quote, margin, or settle transactions in USDC or other stablecoins.

II. Listing Date

The proposed listing date for the CMSEF Perpetual Swaps is July 15, 2026.

III. Regulatory Characterization of the Contract

The Contract represents an uncleared bilateral commodity swap entered into solely between Eligible Contract Participants ("ECPs") and executed on a registered Swap Execution Facility ("SEF"). The Contract is documented pursuant to bilateral trading documentation and does not involve central clearing, a derivatives clearing organization ("DCO"), a central counterparty guarantee, or retail customer participation.

The Contract is economically similar to other derivative instruments that have historically been regulated as swaps or otherwise treated as bilateral OTC derivatives, including non-deliverable forwards, contracts for difference ("CFDs"), total return swaps, and other cash-settled commodity derivatives. Like many CFDs and total return swap structures, the Contract provides synthetic economic exposure to an underlying asset without requiring physical delivery and may remain outstanding indefinitely until terminated, closed out, or otherwise extinguished pursuant to its governing contractual arrangements.

The principal distinguishing characteristic of the Contract is the absence of a fixed maturity date and the inclusion of a periodic funding payment mechanism designed to maintain alignment between the Contract price and the underlying Reference Index. The absence of a predetermined expiration date is not unique to perpetual swaps and is a feature commonly found in other derivatives structures, including many CFDs and total return swaps.

CMSEF notes that crypto-asset perpetual contracts are not novel instruments outside the scope of the Commodity Exchange Act ("CEA"). The Commission has previously exercised enforcement jurisdiction over crypto-asset perpetual contracts offered to U.S. persons, including actions involving BitMEX, Binance, Ooki DAO, Opyn and Deridex. In several of those matters, the Commission asserted jurisdiction over such perpetual contracts as swap transactions subject to regulation under the CEA. These actions demonstrate that perpetual contracts have long been viewed by the Commission as falling within the scope of the federal derivatives regulatory framework and are not a newly emerging product category.

More recently, the Commission and its staff have recognized additional regulatory pathways through which perpetual contracts may be offered, including perpetual futures contracts listed on designated contract markets and certain perpetual contracts treated as foreign futures contracts. CMSEF is not

seeking to list a futures contract. Rather, the Contract is structured as an uncleared bilateral swap executed solely between ECPs pursuant to bilateral trading documentation and subject to the rules of a registered SEF.

Unlike perpetual futures contracts listed on a designated contract market, the Contract does not involve a DCO, central counterparty guarantee, futures-style margining architecture, or retail customer access. Instead, the Contract reflects the characteristics of an uncleared bilateral commodity swap in which counterparties determine the economic terms of the transaction and manage their obligations through bilateral contractual arrangements.

The Contract therefore represents an incremental extension of existing crypto-asset swap products currently traded on CMSEF. The Contract utilizes a perpetual maturity structure and periodic funding mechanism but otherwise shares many characteristics with cash-settled commodity swaps, CFDs, and other bilateral commodity derivatives. CMSEF believes that the Contract is consistent with the Commodity Exchange Act, Commission regulations, and the applicable Core Principles governing Swap Execution Facilities.

IV. Continuous Reliability of the Reference Index

The Commission has noted that, unlike a traditional futures contract that relies upon a single expiration-based settlement event, a perpetual contract relies upon the continuous integrity and reliability of its reference price and funding mechanism. CMSEF has therefore evaluated the reliability of the Reference Index on a continuous basis and believes that the Reference Index is sufficiently robust to support the Contract.

The Reference Index is calculated and published on a continuous basis using transaction data derived from multiple liquid Bitcoin trading venues. The methodology incorporates objective rules governing constituent exchange eligibility, volume weighting, anomaly detection, outlier removal, and index maintenance procedures. The use of multiple exchanges reduces dependence upon any single venue and mitigates the impact of isolated disruptions, outages, or abnormal trading activity.

Bitcoin spot markets operate continuously on a global basis, including weekends and holidays, and provide ongoing price discovery across a broad range of market participants and jurisdictions. As a result, the Reference Index reflects an actively traded underlying market throughout the period during which the Contract may remain outstanding.

In addition, CMSEF may suspend trading, delay funding calculations, or implement other appropriate measures in the event of a material disruption affecting the Reference Index, constituent exchanges, or the orderly operation of the underlying Bitcoin market. These controls are intended to promote the continued integrity of the Contract and reduce susceptibility to manipulation or disorderly market conditions.

V. Funding Mechanism and Price Convergence

The Contract incorporates a periodic funding payment mechanism designed to maintain alignment between the Contract price and the Reference Index. Because the Contract does not have a fixed

expiration date, the funding mechanism serves as the primary economic tool through which convergence between the Contract price and the underlying Bitcoin market is encouraged.

Where the Contract price trades above the Reference Index, the funding mechanism generally creates an economic incentive for market participants to establish positions that benefit from a narrowing of the premium. Conversely, where the Contract price trades below the Reference Index, the funding mechanism generally creates an economic incentive for market participants to establish positions that benefit from a narrowing of the discount.

Through these economic incentives, the funding mechanism promotes price convergence and discourages persistent divergence between the Contract price and the Reference Index. The funding mechanism therefore performs a function analogous to the convergence process that occurs through expiration and settlement in traditional futures contracts.

CMSEF believes that the combination of a transparent funding methodology, a continuously published Reference Index, and the depth and liquidity of the underlying Bitcoin market supports the orderly operation of the Contract and reduces the likelihood of sustained price dislocations.

VI. Suitability of Bitcoin for Continuous Trading

Bitcoin is particularly well suited to continuous trading due to the structure and characteristics of the underlying market. Unlike many traditional commodities, Bitcoin is traded on a global basis twenty-four hours per day, seven days per week, including weekends and holidays.

The Bitcoin market consists of numerous trading venues operating across multiple jurisdictions and time zones, with substantial daily trading volume and continuous price discovery. Market participants are able to access liquidity and hedge risk at all times, reducing dependence upon any particular trading session or geographic region.

Because the underlying Bitcoin market itself operates continuously, CMSEF believes that continuous trading of the Contract is consistent with the trading characteristics of the underlying asset and supports efficient risk transfer and price discovery.

VII. Existing Continuous Operations of CMSEF

CMSEF has operated crypto-asset derivative markets on a substantially continuous basis for several years and currently supports the trading of crypto-asset swaps, forwards, options, and related products. The listing of the Contract does not require CMSEF to establish a new twenty-four hour trading infrastructure, surveillance framework, compliance function, or operational model, because they already exist.

The systems, procedures, personnel, and controls currently used by CMSEF for existing crypto-asset products will also apply to the Contract. CMSEF therefore believes that the listing of the Contract represents an incremental product enhancement within an existing operational framework rather than the introduction of a new market structure.

VIII. Real-Time Surveillance and Market Integrity Controls

CMSEF maintains surveillance, compliance, and enforcement procedures designed to promote market integrity and detect potentially manipulative, disruptive, or abusive trading activity. These controls apply to the Contract in the same manner as they apply to other products traded on CMSEF.

Among other things, CMSEF monitors for potential wash trading, pre-arranged trading, spoofing, layering, disruptive trading practices, excessive concentration, and other conduct prohibited by the Commodity Exchange Act, Commission regulations, or the CMSEF Rulebook.

CMSEF also maintains procedures for reviewing unusual market activity, investigating potential rule violations, obtaining relevant trading records, and taking disciplinary action where appropriate. Large trader reporting and position accountability requirements remain applicable to the Contract and assist CMSEF in identifying concentrated positions and monitoring market integrity.

IX. Market Disruption and Risk Controls

CMSEF maintains authority under its Rulebook to implement appropriate risk controls and emergency measures in response to market disruptions, operational failures, extraordinary volatility, or other circumstances that may threaten the orderly operation of the market.

Such measures may include trading pauses, temporary trading suspensions, adjustments to market operations, emergency actions authorized by the CMSEF Rulebook, and other measures reasonably necessary to protect market integrity and market participants.

CMSEF may also take appropriate action in response to disruptions affecting the Reference Index, constituent exchanges, funding calculations, communications systems, or other critical market infrastructure.

X. System Safeguards and Operational Resilience

CMSEF maintains system safeguards consistent with its obligations under the Commodity Exchange Act and applicable Commission regulations. CMSEF conducts ongoing monitoring of its systems and maintains policies and procedures designed to promote system reliability, cybersecurity, operational resilience, and business continuity.

CMSEF utilizes redundant systems, disaster recovery procedures, cybersecurity controls, capacity planning, and periodic testing designed to support continuous operation of its trading platform. Business continuity and disaster recovery plans are regularly reviewed and tested to ensure the continued availability and integrity of critical market functions.

CMSEF believes that its existing technology infrastructure is sufficient to support the listing and operation of the Contract.

XI. Compliance Staffing and Resources

CMSEF maintains compliance, surveillance, and operational resources sufficient to support its existing crypto-asset derivatives business and the listing of the Contract. The addition of the Contract does not require material changes to CMSEF's compliance structure or staffing model.

CMSEF personnel are responsible for monitoring market activity, reviewing alerts, conducting investigations, overseeing rule compliance, and responding to operational or market events. Escalation procedures are maintained to address unusual trading activity, market disruptions, and other circumstances requiring prompt review.

CMSEF believes that its existing compliance and surveillance framework is appropriate for the Contract and consistent with the applicable Core Principles governing Swap Execution Facilities.

XII. Analysis of Compliance with Core Principles

CMSEF has reviewed all applicable Core Principles and determined that the listing principally implicates Core Principles 2, 3, 4, 9 and 14. CMSEF affirms that the design and operation of the Perpetual Swaps are consistent with these and other applicable Core Principles.

A. The Underlying Indexes are not Readily Susceptible to Manipulation

The reference indexes utilized for the CMSEF Perpetual Swaps are constructed and maintained by Kaiko Indices, a reputable digital asset data provider. The indexes are calculated based on aggregated, volume-weighted transaction data across multiple centralized exchanges with high trading volume. These exchanges include Backpack, Buybit, EDX Markets, and OKX that are subject to internal surveillance and compliance controls.

The Clear Markets Kaiko BTC Perp index methodology includes:

- Inclusion criteria that filter out low-liquidity venues and suspect pricing activity;
- Real-time anomaly detection and outlier removal;
- Transparent, auditable calculation rules;
- A diversified input set to reduce single-exchange dominance.

Furthermore, the BTC/USD markets that underlie the indexes are some of the most liquid trading pairs in the digital asset sector. The index calculation agent, Kaiko Indices, provides other indices for digital assets which are used in products listed on other CFTC-regulated markets such as the Chicago Board Options Exchange (CBOE).

B. The Underlying Market for BTC is not Easily Manipulable

Bitcoin spot markets are among the most actively traded and well-capitalized digital asset markets globally and exhibit deep liquidity and extensive trading activity across jurisdictions and platforms. The

combination of high notional turnover, multi-venue price discovery, and constant market scrutiny reduces the feasibility of market manipulation.

Notably:

- BTC markets are listed across hundreds of exchanges with 24/7 global trading;
- Bid-ask spreads are consistently tight;
- Regulatory oversight exists in key jurisdictions including the U.S., EU, Japan, and Singapore;

This level of liquidity and fragmentation ensures that no single market participant or venue can exert undue influence over pricing and enhances the robustness of the benchmark indexes.

C. Conditions that Further Mitigate Susceptibility to Manipulation

CMSEF has adopted rules and surveillance mechanisms designed to prevent manipulative trading behavior on its SEF. These include:

- Real-time and post-trade monitoring;
- Participant requirements and onboarding reviews;
- Trade data retention and audit authority;
- Enforcement procedures in case of rule violations.

The product design incorporates standardized parameters and settlement procedures that reduce discretionary risk. The lack of physical delivery removes delivery-related manipulation concerns, further strengthening integrity.

D. Settlement Procedure

All swaps are uncleared and settled off-SEF directly between counterparties. Settlement must conform to the bilateral trading relationship governed by master agreements and CMSEF Rule 303A. CMSEF reserves the right to request trade records to ensure accuracy and mitigate disputes, especially during the initial rollout period.

This settlement framework, coupled with post-trade oversight and audit capabilities, supports the financial integrity of the products and aligns with CEA requirements.

E. Compliance with other SEF Core Principles

While Core Principle 3 is primary, CMSEF affirms that the listing also complies with:

- **Core Principle 2 (Compliance):** CMSEF enforces trading and conduct rules.
- **Core Principle 4 (Monitoring):** CMSEF monitors swaps to detect abuse and ensure fair trading.
- **Core Principle 9 (Financial Integrity):** Through documentation requirements, participant oversight, and market surveillance.

IV. Position Limits or Accountability

CMSEF adopts a position reporting threshold consistent with industry standards:

- 25,000 (aggregate across tenors) triggers reporting.
- All large trader reporting obligations are governed by CMSEF Rule 413B and CFTC Part 15.

V. Certification

CMSEF hereby certifies that:

The CMSEF Perpetual Swap comply with the Commodity Exchange Act, 7 U.S.C. §1 et seq. and the regulations thereunder.

This Submission has been concurrently posted on CMSEF's website at <http://www.clear-markets.com/>. If you have any questions regarding the above, please contact me at shawn@clearmarkets.io or +1-704-906-8277.

Respectfully submitted

A handwritten signature in blue ink, consisting of several fluid, overlapping strokes that form the name 'Shawn A. Dorsch'.

Shawn A. Dorsch
Chief Executive Officer
Clear Markets North America, Inc.