



Via Portal Submission

January 30, 2025
MIA X Futures DCO Submission No. 25-03

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

RE: Rule Certification Submission Pursuant to Regulation 40.6(a): Amendments to MIA X Futures Rulebook

Dear Mr. Kirkpatrick:

Pursuant to Commodity Exchange Act (“CEAct”) Section 5c and Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), the MIA X Futures Exchange, LLC (“MIA X Futures” or “Exchange”) hereby certifies that the proposed amendments to the MIA X Futures Rulebook as set forth in Exhibit A comply with the CEAct and the Commission regulations promulgated thereunder (the “Proposed Amendments”). MIA X Futures further certifies that the submission and pending changes to the MIA X Futures Rulebook have been posted on the Exchange website at the following link: <https://www.miaxglobal.com/markets/futures/miax-futures/rule-filings>.

Overview of Amendments

Pursuant to a Clearing Services Agreement (“the CSA”) between MIA X Futures and Bitnomial Exchange, LLC (“Bitnomial”), MIA X Futures has been providing clearing services for derivative contracts traded on the Bitnomial Exchange. Additionally, pursuant to the terms of the CSA, as amended, the agreement will terminate on February 13, 2025. When the CSA terminates, MIA X Futures will no longer provide clearing services for any Bitnomial products, thus necessitating the amendment and removal of certain Rules related to Bitnomial and its products. Specifically, the Proposed Amendments would amend MIA X Futures Rules Chapter 1 by removing the definitions of Bitnomial Exchange, Bitnomial Exchange Contracts, and Settlement Facility; amending Rules 2109.03. and 2110.00. related to MIA X Futures’ default management procedures and assessments; and removing MIA X Futures Rules Chapter 23, which covers all other aspects of clearing Bitnomial products, in its entirety to coincide with the cessation of clearing Bitnomial products and the termination of the CSA.

Feedback Considered

Because the Proposed Amendments include material changes to MIA X Futures’ default waterfall, staff discussed the changes with its Risk Management Committee and Risk Advisory Working Group, both of which include Clearing Member and customer representatives. The members supported the changes set forth in the Proposed Amendments.

MIA X FUTURES EXCHANGE, LLC

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DCO Core Principles

MIAX Futures has reviewed the Core Principles for derivatives clearing organizations (“DCO Core Principles”) and has determined the amendments comply with the requirements for such principles. During the review, MIAX Futures identified the following DCO Core Principles as potentially being impacted:

- *DCO Core Principle G – Default Rules and Procedures:* The amendments to Rules 2109.03. and 2110.00. address the actions the Exchange would take following a Clearing Member default and thus clarify MIAXFutures’ default rules and procedures. These tools and the general order of the default waterfall were already in place, but the Rules have been amended to remove separate tranches within the guaranty fund pertaining to Clearing Members approved to clear Bitnomial products. MIAX Futures created these tranches to isolate any potential losses stemming from a default involving a Bitnomial Clearing Member, and they are therefore unnecessary moving forward.
- *DCO Core Principle L – Public Information:* The Proposed Amendments have been disseminated on the Exchange’s website, and will be available in the MIAX Futures Rulebook, which is accessible online.
- *DCO Core Principle R – Legal Risk:* Core Principle R requires DCOs to operate pursuant to a well-founded, transparent, and enforceable framework that describes the steps a DCO would take to address a default of a Clearing Member and other significant aspects of a DCO’s risk management procedures. As explained above, the amendments modify the actions the Exchange will take following a default of a Clearing Member, thereby enhancing the overall transparency of MIAX Futures’ legal framework.

Pursuant to MIAX Futures Bylaw 3.1., the Proposed Amendments were approved on January 30, 2025. There were no substantive opposing views expressed with respect to this filing. The Proposed Amendments are to be effective when incorporated into the MIAX Futures Rulebook and posted on its website, which will be at least 10 business days following the date of this submission.

If there are any questions regarding this submission, please contact me at (612) 321-7176 or jkrause@miaxglobal.com. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to be 'JK' with a stylized flourish.

James D. Krause
Associate Counsel

EXHIBIT A

The following MIAX Futures Bylaw is to be amended. Additions are underlined while deletions are strikethrough.

CHAPTER 1. DEFINITIONS

~~**BITNOMIAL EXCHANGE:** Bitnomial Exchange, LLC, a Delaware limited liability company.~~

~~**BITNOMIAL EXCHANGE CONTRACTS:** Any contract listed on the Bitnomial Exchange and approved to be cleared by MIAX Futures. Presently, Bitcoin US Dollar Futures, Bitcoin US Dollar Deci Futures, Hashrate US Dollar Petahash Futures, and Bitcoin US Dollar Options, each as described in Chapters 12 through 14, as applicable, of Bitnomial Exchange rules.~~

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~~**SETTLEMENT FACILITY:** The Digital Asset delivery facility, system, or process authorized and operated by Bitnomial Exchange and associated with the trading of Bitnomial Exchange Contracts. The Settlement Facility is not licensed, approved, or registered with the CFTC.~~

CHAPTER 21. CLEARING HOUSE RULES

2109.03. LOSSES BORNE BY MIAX FUTURES: APPLICATION OF FUNDS.

The Exchange will establish and maintain ~~one a~~ guaranty fund, and each Clearing Member must contribute to such guaranty fund by making a deposit as security for its obligations to the Clearing House in accordance with the requirements of Rule 2105.00, ~~with two separate tranches that reflect relative contributions from different product classes to the guaranty fund. Each Clearing Member that is approved by MIAX Futures to clear products traded on the Exchange (such products, the “MIAX Futures Products”) must make a deposit as security for its obligations to the Clearing House in accordance with the requirements of~~ Rule 2105.00, ~~to the MIAX Futures tranche of the guaranty fund (the “MIAX Futures Tranche”). In addition, when required by MIAX Futures, each Clearing Member that is approved by MIAX Futures to clear products traded on Bitnomial Exchange (such products, the “Bitnomial Products”) must make a deposit as security for its obligations to the Clearing House in accordance with the requirements of~~ Rule 2105.00, ~~to the Bitnomial tranche of the guaranty fund (the “Bitnomial Tranche”). Such security deposits will be in an amount determined by the Clearing House. The Clearing House will give each Clearing Member a report setting forth such Clearing Member’s proportionate share in each tranche, as applicable.~~

Should MIAX Futures bear a loss resulting from the insolvency or Default of a Clearing Member, then such loss shall be met by applying the funds listed below. In addition and for the avoidance

of doubt, Clearing Members are responsible for bearing any loss of funds or collateral associated with the failure or insolvency of a depository or settlement bank, and should a Clearing Member Default as a result of such bank failure or insolvency, MIAX Futures will use the funds listed below. ~~For the avoidance of doubt, any such default will be a default to the Clearing House regardless of product class.~~

If the security deposits, margins, performance bonds, pledges, and other assets of a Defaulting Clearing Member are insufficient to satisfy all of its obligations to MIAX Futures, including all claims against the Exchange by reason of its substitution for that Clearing Member pursuant to **Rule 2100.00.**, the Exchange shall nonetheless pay all such claims, which shall be deemed a loss (hereinafter "Loss") to it and which shall be a liability of the Defaulting Clearing Member to the Exchange, which the Exchange may collect from the assets of such Clearing Member available to it or by process of law. A Loss may also be an uncovered credit loss. The definition of a Loss includes, but is not limited to, any amounts associated with the liquidation, transfer, and other costs related to managing the Default of a Clearing Member.

Following the insolvency or Default of a Clearing Member, ~~if the collateral of the Defaulting Clearing Member is insufficient to satisfy the Loss associated with the default, the Clearing House will first attempt to isolate the Loss to the associated tranche, if applicable, as set forth below. However, in the event the Defaulted Clearing Member is approved to clear both MIAX Futures Products and Bitnomial Products, the assets of both tranches will be accessible by the Clearing House, as detailed below.~~ MIAX Futures will use funds in the order of priority listed, with each source of funds to be completely exhausted, to the extent practical, before the next source is applied. While such application of funds shall be mandatory, the detailed implementation of this Rule shall be the responsibility of the Exchange.

~~If the Defaulted Clearing Member is only approved to clear MIAX Futures Products:~~

- A. Excess funds of the Defaulting Clearing Member, including any partial payment amounts, settlement funds, or variation gains.
- B. Security deposits of the Defaulting Clearing Member.
- C. Margins and performance bonds of the Defaulting Clearing Member on deposit with MIAX Futures, payments made by a guarantor of the Defaulting Clearing Member, and any other assets of the Defaulting Clearing Member.
- D. Such assets of the MIAX Futures Clearing House reserve fund.
- E. Security deposits of non-defaulting Clearing Members, ~~made to the MIAX Futures Tranche~~ which shall be applied toward meeting a Loss in direct proportion to the total security deposit requirement of each Clearing Member ~~to the MIAX Futures Tranche.~~

- F. Such surplus funds of the Exchange as may be in excess of funds necessary for normal business operations. No such surplus shall be assumed until approved by the Executive Committee or the Board.

~~If the Defaulted Clearing Member is only approved to clear Bitnomial Products:~~

- ~~A. Excess funds of the Defaulting Clearing Member, including any partial payment amounts, settlement funds, or variation pays.~~
- ~~B. Security deposits of the Defaulting Clearing Member.~~
- ~~C. Margins and performance bonds of the Defaulting Clearing Member on deposit with MIAX Futures, payments made by a guarantor of the Defaulting Clearing Member, and any other assets of the Defaulting Clearing Member.~~
- ~~D. Such assets of the Clearing House reserve fund approved by the Board.~~
- ~~E. Security deposits of non-defaulting Clearing Members made to the Bitnomial Tranche shall be applied toward meeting a loss in direct proportion to the total security deposit requirement of each Clearing Member to the Bitnomial Tranche.~~

~~Notwithstanding the prioritization of funds being applied in the order listed above, should the funds of one tranche be insufficient to cover a Loss, the funds in the remaining tranche will be available, in their entirety, to the Clearing House to satisfy the Loss.~~

~~If the Defaulted Clearing Member is approved to clear both MIAX Futures Products and Bitnomial Products:~~

- ~~A. Excess funds of the Defaulting Clearing Member, including any partial payment amounts, settlement funds, or variation pays.~~
- ~~B. Security deposits of the Defaulting Clearing Member.~~
- ~~C. Margins and performance bonds of the Defaulting Clearing Member on deposit with MIAX Futures, payments made by a guarantor of the Defaulting Clearing Member, and any other assets of the Defaulting Clearing Member.~~
- ~~D. Such assets of the MIAX Futures Clearing House reserve fund.~~
- ~~E. Security deposits of non-defaulting Clearing Members shall be applied toward meeting a loss in direct proportion to the total security deposit requirement of each Clearing Member for each tranche. MIAX Futures will first apply security deposits from each tranche to the loss calculated for the products within that tranche. Should the loss in one tranche exceed the security deposits available within the~~

~~same tranche, MIA Futures will apply the remaining security deposits of any tranche to the remaining loss.~~

~~F. Such surplus funds of the Exchange as may be in excess of funds necessary for normal business operations. No such surplus shall be assumed until approved by the Executive Committee or the Board.~~

In the event that a Clearing Member Default necessitates the application of these funds, Clearing Members must make good any deficiency in security deposits or margins and performance bonds pursuant to the requirements and deadlines set forth in **Rule 2109.05**.

The Exchange may borrow such funds or draw such funds as necessary against any line of credit at any time for such purposes under this Rule to cover any obligations or losses of the Exchange. Any borrowing of funds shall not relieve any Clearing Member from their obligations under this and other Rules or from the application of their security deposits.

~~The Exchange may obtain and maintain any default insurance. Such insurance shall inure to and shall be for the sole benefit of the Exchange. Proceeds from any default insurance, and the right to any proceeds, shall be paid to and belong solely to the Exchange.~~

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2110.00. CLEARING MEMBERS: ASSESSMENTS.

Losses (as defined in **Rule 2109.03**.) shall first be satisfied by applying the funds in the order of priority listed in **Rule 2109.03**. The balance of any Losses remaining, ~~in any tranche,~~ after the application of such funds shall be assessed against all Clearing Members (excluding any Insolvent or Defaulting Clearing Members) in direct proportion to the Clearing Members' total security deposit requirement ~~for that tranche. Should the Loss in one tranche exceed the assessments to Clearing Members in the tranche producing the Loss, the remaining Loss will be assessed to Clearing Members from any remaining tranche.~~ Each Clearing Member (excluding any Insolvent or Defaulting Clearing Member) shall be subject to a maximum assessment amount of up to an amount that does not exceed (i) a total of two and a half (2.5) times such Clearing Member's total security deposit requirement at the time of the default with respect to Losses that are attributed to the default of a single Clearing Member and (ii) a total of five and a half (5.5) times such Clearing Member's total security deposit requirement at the time of the default with respect to Losses that are attributed to the default of multiple Clearing Members during a Cooling Off Period (as defined in **Rule 2113.00** below). A Clearing Member that has provided the maximum assessment amount in respect of a Cooling Off Period pursuant to this Rule shall not be liable for any further assessment contributions in respect of any default(s) occurring or declared during such Cooling Off Period. A Clearing Member that has replenished its security deposit pursuant to **Rule 2109.05** up to a maximum of one (1) times such Clearing Member's total security deposit requirement at the time of the default (maximum replenishment amount) shall not be liable for any further security deposit replenishments during the Cooling Off Period,

regardless of how many additional defaults take place in such Cooling Off Period. Non-defaulting Clearing Members shall take no actions, including but not limited to, attempting to obtain a court order that would interfere with the ability of the Clearing House to collect and apply such assessments.

Each Clearing Member shall pay any assessment made pursuant to this Rule by wire or other method acceptable to MIAX Futures within two (2) hours of the notice of the assessment being delivered to Clearing Members. If a Clearing Member pays such assessment by wire and the wire transfer service is not open or operational at the time notice is sent, payment is due within one (1) hour on the next business day that the wire transfer service is open and operational. Any Clearing Member that does not satisfy an assessment shall be in default, and any Loss that occurs as a result of such default shall itself be assessed by MIAX Futures to non-defaulting Clearing Members. In the event that the amount of assessments received exceeds the amount of the Loss, the Clearing House will return such excess funds as soon as practicable.

If a non-defaulting Clearing Member has made payments of all assessed amounts, has replenished any deficiency in its security deposits or margin and performance bonds in accordance with [Rule 2109.05.](#), and has satisfied all other conditions of withdrawal set forth in [Rule 2100.04.](#), it may withdraw as a Clearing Member. A withdrawing Clearing Member will be subject to assessments, and its security deposits may be utilized, for all defaults and any Losses occurring before and during the Cooling Off Period in which such Clearing Member submitted its Withdrawal Notice and/or continues to have open positions, as well as any Losses stemming from such default(s) regardless of when the Loss is realized by MIAX Futures. For the avoidance of doubt, even after a Clearing Member has submitted its Withdrawal Notice and liquidated or transferred all of its open customer and house positions, it will continue to be subject to assessments, and its security deposits may be utilized, for all Losses from additional default(s) that occur during the Cooling Off Period after submission of a Withdrawal Notice and the liquidation or transfer of all open positions. However, the withdrawing Clearing Member will not be subject to future assessments that are assessed to cover Losses for defaults that occur after the Cooling Off Period during which the Clearing Member provided its Withdrawal Notice and liquidated or transferred all of its open customer and house positions has concluded even if the Exchange has yet not provided written approval of such withdrawal. In addition, the Exchange will not apply such Clearing Member's replenished security deposit to Losses for defaults that occur after the conclusion of the Cooling Off Period during which the Clearing Member provided its Withdrawal Notice and liquidated or transferred all of its open customer and house positions even if the Exchange has yet not provided written approval of such withdrawal. For purposes of this Rule, MIAX Futures will consider the liquidation or transfer of all open positions by a Clearing Member effective after completion of the Business Day's settlement cycle during which all positions were closed.

~~CHAPTER 23. BITNOMIAL EXCHANGE CLEARING RULES~~

~~23.1. SCOPE OF CHAPTER AND PRIORITY OF RULES.~~

~~This chapter governs procedures related to the clearing, settlement, delivery, and guarantee of trades executed on Bitnomial Exchange. Specifically, MIA X Futures provides clearing services for Bitnomial Exchange Contracts.~~

~~If not specifically covered herein, the Rules of the Exchange, and Chapter 21 in particular, shall govern. For purposes of this Chapter, all requirements, conditions, or procedures of the Exchange and the Clearing House will apply specifically to Bitnomial Exchange Contracts.~~

~~To the extent that the provisions of this Chapter conflict with any other MIA X Futures Rules, this Chapter supersedes such Rules. MIA X Futures Rules pertaining to the clearing of Bitnomial Exchange Contracts shall have precedence over the rules of Bitnomial Exchange unless expressly and specifically stated otherwise.~~

~~23.2. CLEARING MEMBERS.~~

~~This Chapter applies to Clearing Members approved by the Exchange to submit Bitnomial Exchange Contracts to the Clearing House for clearing. Clearing privileges may be granted and retained only if a clearing firm is a Clearing Member of the Exchange and when the terms and conditions set forth in **Rule 2100.02** have been met. The Clearing House has no obligation to accept Bitnomial Exchange Contracts for clearing unless the Clearing Member complies with all MIA X Futures requirements for becoming a Clearing Member of the Exchange and remains in Good Standing, including those requirements set forth in this Chapter. Clearing Members must have the ability to comply with the requirements set forth by Bitnomial Exchange, and both MIA X Futures and Bitnomial Exchange must grant approval of Clearing Members allowed to clear contracts traded on Bitnomial Exchange. For the avoidance of doubt, Clearing Members will not, under any circumstances, be required to own, hold, or control Digital Assets under these Rules or Bitnomial Exchange rules (unless the Clearing Member holds positions requiring delivery in its own proprietary account), but Clearing Members are responsible for ensuring their customers are able to satisfy or satisfy their obligations regarding delivery and acceptance thereof under the applicable MIA X Futures and Bitnomial Rules.~~

~~A Clearing Member guarantees and assumes financial responsibility for all orders it places and receives, and all contracts it clears and delivers.~~

~~23.2.1. MARKET PARTICIPANT ACCESS.~~

~~After a Clearing Member grants a Market Participant access to trade or use Bitnomial Exchange systems, such Clearing Member will be fully responsible for the actions and transactions of any~~

~~and all users that are provided access to the Bitnomial Exchange match engine by such Market Participant or any other user approved by the Market Participant. Clearing Members acknowledge that an approved Market Participant will have the ability to designate its own users directly with Bitnomial Exchange without receiving separate Clearing Member approval. For the avoidance of doubt, Clearing Members guarantee and assume financial responsibility for all transactions placed and executed on Bitnomial Exchange by a Market Participant approved by the Clearing Member and all additional users authorized directly or indirectly by a Market Participant, including unknown users.~~

~~23.3. MARKET PARTICIPANTS.~~

~~All participants approved to trade on Bitnomial Exchange must establish an account with an Exchange Clearing Member (or be properly authorized by a Clearing Member approved participant), and if involved with delivery, must satisfy the delivery prerequisites set forth by Bitnomial Exchange Rule 1102(b). Market Participants seeking to make or take delivery must meet the requirements set forth by Bitnomial Exchange and applicable MIAX Futures Rules. Bitnomial Exchange and MIAX Futures must grant approval to any Market Participant prior to participating in the delivery process of a Futures Contract traded on Bitnomial Exchange.~~

~~23.4. CLEARING FEES.~~

~~Clearing fees for Bitnomial Exchange Contracts, and the manner of payment thereof, shall be determined by the Clearing House.~~

~~23.5. CLEARING HOUSE PROCEDURES.~~

~~The Clearing House may immediately adopt, modify, or cancel procedures, including but not limited to, reporting, submission times, the deadlines set forth in **Rule 23.9.**, settlement process, settlement times, margin and variation payments means and methods, give up procedures, confirmations, closing, product listing procedures and coding, and recordkeeping. The Exchange may incorporate into its Rules, as appropriate, such clearing procedures, including those noted above determined necessary for effective clearing.~~

~~23.6. FUTURES—FINAL SETTLEMENT.~~

~~Bitnomial Exchange Futures positions open as of the contract's close of business on the last trading day will be settled in accordance with Bitnomial Exchange's settlement procedures.~~

~~23.7. DAILY SETTLEMENTS.~~

~~Bitnomial Exchange is solely responsible for determining and providing daily settlement values and data for all Bitnomial Exchange Contracts to the Clearing House and is responsible for the accuracy of such final settlement values and data. The Exchange shall not be liable for the settlement prices received for such contracts.~~

~~23.8.1. OPTIONS — LAST TRADING DAY AND EXPIRATION.~~

~~Trading shall terminate six (6) Business Days prior to trading termination of the underlying futures contract. The contractual rights and obligations arising from the option contract expire on the last day of trading.~~

~~23.8.2. OPTIONS — AUTOMATIC EXERCISE.~~

~~The Exchange will automatically exercise all in-the-money options unless notice to cancel automatic exercise is given to the Clearing House. Such options will be exercised into Futures Contracts and settled as part of the Futures process.~~

~~Notice to cancel automatic exercise shall be given to the Clearing House in accordance with the deadline set forth below on the last day of trading except that such notice must be given to the Clearing House prior to 4:30 p.m. Central Time on the expiration date:~~

- ~~A. to correct errors or mistakes made in good faith;~~
- ~~B. to take appropriate action as the result of unreconciled MIAX Futures Option transactions;~~
- ~~C. in exceptional cases involving a customer's inability to communicate to the Clearing Member exercise instructions or the Clearing Member's inability to receive such instructions prior to such time as determined by the Exchange on the last day of trading.~~

~~23.9. DEADLINES AND SUMMARY FINES.~~

~~The schedule of deadlines is subject to change at any time by the Exchange. The Exchange has adopted the following schedule of reporting deadlines (all times shall conform to Central Time):~~

7:30 a.m.	Reporting of gross positions
9:00 a.m.	Settlement and margin payment
11:00 a.m.	Trading directive for same day collateral pledges*
_____	Trading directive for same day collateral pledge release*
11:30 a.m.	Intraday variation payment
4:10 p.m.	Unmatched trade adjustments
4:15 p.m.	Last submission of trades
_____	Give-up execution

~~4:20 p.m. — Give up acceptance~~

~~4:30 p.m. — Auto Exercise Cancellations~~
~~Options position reports on expiration day~~

~~5:10 p.m. — Binomial delivery files~~

~~7:30 p.m. — Customer gross margin files~~

~~* Submitting a Trading directive to the Exchange does not guarantee same day transfers of a security. MIAX Futures is not responsible for delays caused by the inaccuracy or untimely submission of information by a Clearing Member required to facilitate the transfer of securities to or from MIAX Futures' safekeeping accounts.~~

~~Any unresolved unmatched trades may be suspended pending possible resolution the following Business Day as an "as of" trade. "As of" trades can be carried no longer than one Business Day. Any "as of" trade which is subsequently given up must be done in accordance with [Rule 2102.00](#) and the deadlines established in [Resolution 2101.00.C](#).~~

~~In addition to the deadlines set forth above, the Exchange has adopted delivery specific deadlines (see [Rule 23.12.4](#)).~~

~~Any deadline or submission listed herein that is missed, late, inaccurate or incomplete, may result in a summary fine or other disciplinary action, including but not limited to, the matter being referred to the Disciplinary Committee as determined by the Exchange.~~

~~Trading session submissions must be submitted accurately and in accordance with the deadlines set forth in this Rule. All submissions received after the respective deadlines are subject to a warning letter or fine. The schedule is as follows:~~

1st Offense:	Warning Letter
2nd Offense:	\$1,000 fine
3rd Offense:	\$2,500 fine
4th Offense:	\$5,000 fine

~~The 5th offense and every subsequent offense will be referred to the Disciplinary Committee. Offenses and fines shall be based upon events occurring within a rolling twelve (12) month period. The Exchange may determine whether a warning letter or a fine is warranted based on the facts and circumstances, and may take further disciplinary action, increase the amount, or present the matter to the Disciplinary Committee.~~

In the event a fine is imposed, the Exchange will issue a notice of the offense and fine amount to the offending party. Any fines must be paid within thirty (30) days of issuance unless otherwise stated by the Exchange.

~~23.10. DISCIPLINARY ACTIONS.~~

~~Notwithstanding any provision of the rules of Bitnomial Exchange, all Clearing Members are subject to the jurisdiction of the Exchange. In the event a Clearing Member violates the requirements of any rule, report, submission, deadline, or other obligation, the Exchange may impose a fine on the Clearing Member or take other disciplinary action including, but not limited to, referring the matter to the Disciplinary Committee. In addition, a Clearing Member that violates or is alleged to have violated any delivery requirement or deadline herein will be subject to the disciplinary procedures set forth in Chapter 12.~~

~~23.11. TRANSFER TRADES AND OFFSETS.~~

~~Transfer trades involving contracts or positions traded on Bitnomial Exchange will be governed in accordance with the rules of Bitnomial Exchange. All transfers in physically delivered Futures Contracts must be recorded and carried on the books of the receiving Clearing Member at the original trade dates. All other contracts may be recorded and carried at either the original trade date or the transfer date.~~

~~“Transfer” trades involving the transfer of a customer’s positions and related collateral from an account on the books of one Clearing Member to another Clearing Member shall not require the close out and re-booking of the positions prior to the requested transfer; PROVIDED, the following conditions are met: (1) The customer validly instructed the carrying Clearing Member to make the transfer; (2) the customer is not currently in default to the carrying Clearing Member; (3) the receiving Clearing Member has consented to the transfer; (4) the transferred positions will have appropriate margin at the receiving Clearing Member; and (5) any remaining positions in the customer’s account at the carrying Clearing Member will have appropriate margin.~~

~~MIAX Futures **Rules 3.1.7.** and **3.1.8.** shall govern transfer trades and offsets and the associated reporting requirements.~~

~~23.11.1. BLOCK TRADES.~~

~~Block trades will be permitted in the Bitnomial Exchange Contracts designated by Bitnomial Exchange, provided such trades meet the minimum quantity thresholds and all applicable Bitnomial Exchange rules and CFTC Regulations. All block trades must be submitted via the Bitnomial Exchange match engine and in accordance with the deadlines set forth by Bitnomial Exchange (and in no case later than 4:15 p.m. Central Time). In order to execute a block trade on the match engine, Clearing Members and/or Market Participants must have access to the Bitnomial Exchange and receive all required permissions and approvals prior to executing block~~

trades via Bitnomial Exchange. Upon verification by Bitnomial Exchange, block trades will be submitted to MIA X Futures for clearing.

23.12.1. DELIVERY OF UNDERLYING DIGITAL ASSET — CLEARING MEMBER & MARKET PARTICIPANT DUTIES.

Any Clearing Member carrying an account of a Market Participant that is required to make or take delivery agrees to guarantee and assume full responsibility that its customers, as Market Participants, will comply with all delivery obligations set forth in MIA X Futures and Bitnomial Exchange Rules including Rules requiring that Digital Assets be delivered by Market Participants during the Delivery Period in accordance with the Bitnomial Exchange delivery rules. For purposes of these Rules, the “Delivery Period” means the period beginning three Business Days before the last trading day and ending on the delivery day. Clearing Members must file all required forms and reports by the deadlines established by MIA X Futures, including but not limited to final open positions and delivery reports.

Clearing Members are responsible for ensuring that their customers, as Market Participants, that have an obligation or desire to make delivery have the operational ability to, and ultimately satisfy, their full delivery obligation and that such customers have made deliverable Digital Assets available to deliver with the Settlement Facility by 9:30 a.m. on the last trading day in accordance with all applicable Rules. Should a customer fail to deliver Digital Assets in accordance with applicable requirements and the Clearing Member of such customer financially satisfies such obligation, the opposite customer who failed to receive the Digital Assets may still file an arbitration claim against the non-performing customer and/or such customer’s Clearing Member in accordance with Bitnomial Exchange Rules.

In the event a Clearing Member fails to perform its delivery obligations to the Clearing House, MIA X Futures may deem such failure a default pursuant to this Rule and take any of the actions against the Clearing Member authorized in this or other MIA X Futures Rules. For the avoidance of doubt, Clearing Members will not, under any circumstances, be required to own, hold, or control Digital Assets under these Rules or Bitnomial Exchange rules (unless the Clearing Member holds positions requiring delivery in its own proprietary account), but Clearing Members are responsible for ensuring their customers, as Market Participants, are able to satisfy or satisfy their obligations regarding delivery and acceptance thereof under the applicable MIA X Futures and Bitnomial Rules.

In a Clearing Member default that involves a delivery failure, the Clearing House will ensure the financial performance to the Clearing Member whose actions or omissions did not cause or contribute to the delivery failure (the “Affected Clearing Member”). The Clearing House powers will include, but are not limited to, the right to sell or liquidate the Digital Asset subject to delivery and to distribute the proceeds as appropriate and access the funds and collateral available in a default in accordance with **Rule 2109.03**. For purposes of this Rule, “financial performance” means payment of commercially reasonable costs of the Affected Clearing Member related to replacing the failed delivery but does not include physical performance or legal fees. For the

~~avoidance of doubt, payment of reasonable costs will be based on the price of the Digital Asset when delivery should have been made, and the Clearing House is not obligated to make or accept delivery of the actual Digital Asset.~~

~~An Affected Clearing Member seeking financial performance must provide prompt notice to the Clearing House and to Bitnomial Exchange of the delivery failure and a good faith estimate of any financial performance being sought within one (1) hour of the delivery deadline set forth in **Rule 23.12.4** for the product. This deadline may be extended by the Exchange for extenuating circumstances in its sole discretion. An Affected Clearing Member seeking financial performance must provide the Clearing House with a detailed statement with supporting documentation of the amount sought, as well as any other documentation requested by the Clearing House.~~

~~MIAX Futures shall not, under any circumstances, be responsible or liable for any losses, damages, or other costs arising out of a failure, malfunction, error, omission, delay, suspension, inaccuracy, or other event related in any way to the storing, transfer, delivery transfer, or movement of Digital Assets in association with Bitnomial Exchange Contracts.~~

~~**23.12.2. ACCOUNTS ELIGIBLE FOR DELIVERY.**~~

~~Only accounts approved for delivery shall be eligible for delivery and allowed to maintain open positions in an expiring Bitnomial Exchange Contract during the three (3) trading days leading up to Delivery Day.~~

~~Any positions held in an account not approved for delivery must be liquidated by the end of the last trading session prior to the final three (3) trading days (including Last Trading Day) of a contract. Trading in an account not approved for delivery is prohibited during this period. The Clearing House or Bitnomial Exchange will not be liable for any loss associated with such liquidation. In addition, a Clearing Member that is carrying any position not held in an account approved for delivery at any time during the final three (3) trading days of a contract will be subject to Exchange disciplinary action, including, but not limited to, fines or referring the matter to the Disciplinary Committee.~~

~~**23.12.3. DELIVERABLE INSTRUMENTS.**~~

~~To qualify as a Digital Asset eligible for contract delivery, the Digital Asset must meet the requirements of Bitnomial Exchange Rule 1103(c) and product descriptions.~~

~~**23.12.4. DELIVERY PROCEDURES AND REPORTING.**~~

~~Unless stated otherwise, the Clearing House will electronically issue notices and reports to relevant Clearing Members.~~

Delivery of a Bitnomial Exchange Contract is based upon open positions after contract expiration. The delivery process, as set forth below, consists of the following requirements and deadlines (all references to days are Business Days and times are noted in Central time):

T-5	5 Days Prior to Last Trading Day	5:10 p.m.	Clearing Members file Bitnomial delivery files and all other requested information at the end of each day with the Clearing House.
T-3	3 Days Prior to Last Trading Day (start of Delivery Period)	9:00 a.m.	Settlement Facility opens to delivering Market Participants.
T	Last Trading Day of Contract	9:30 a.m.	Clearing Members are responsible for ensuring all Market Participants making delivery deliver underlying asset through Settlement Facility.
		5:10 p.m.	Clearing Members file Bitnomial delivery files with the Clearing House, which will serve as a binding Delivery Notice to MIA X Futures.
		8:45 p.m.	Clearing House issues final Delivery Report and corresponding payment information.
T+1	Delivery Day	11:30 a.m.	All payments for delivery are due to the delivering Clearing Member.
		12:30 p.m.	Clearing Member notification to Bitnomial Exchange and Clearing House regarding receipt of final payment is due.
		By 7:00 p.m.	Delivery process and movement of corresponding Digital Assets is completed.
T+2	Release of Margin	By 9:00 a.m.	Provided that notification of delivery has been received by the applicable Delivery Day deadlines, MIA X Futures will release margins.

Any discrepancies or material reporting errors may result in MIA X Futures disciplinary action.

~~23.13. MANAGEMENT OF DEFAULT AND LOSSES.~~

Should MIA X Futures bear a Loss resulting from the Default of a Clearing Member or from the failure or insolvency of a settlement or depository bank that precipitates a Clearing Member Default, the procedures set forth in Chapter 21 of the Exchange Rules shall govern.

~~23.14. FORCE MAJEURE.~~

~~Notwithstanding any other Rule or provision, the Exchange and Clearing House will not be obligated to perform its obligations under the Rules, or to compensate any Clearing Member for losses occasioned by any delay or failure of performance, to the extent such delay or failure is the result of a condition or event constituting Force Majeure, including but not limited to acts of God, fire or other natural disasters, acts of terrorism, war, or severely inclement weather. In such event, the Exchange will give notice to affected Clearing Members as soon as reasonably practicable and will attempt to remediate the condition.~~

~~23.15. PHYSICAL EMERGENCIES.~~

~~If the Bitnomial Exchange trading platform, the Settlement Facility, or the Clearing House experience a full or partial disruption or breakdown in any area, the Exchange may, without prior notice, immediately modify or suspend clearing operations and procedures involving Bitnomial Exchange Contracts until the problem has been resolved.~~

~~23.16. LIMITATION OF LIABILITY.~~

~~Neither the Exchange, the Board of Directors, and any committees, nor any of MIA X Futures' officers, directors, or employees, shall be liable for any losses, damages, or costs, including direct, indirect, special, incidental or consequential damages, and lost profits, regardless of whether any of them had been advised or otherwise made aware of the possibility of such damages, arising out of the services provided by the Exchange as it pertains to the clearing of Bitnomial Exchange Contracts or as it pertains to the use or performance of the Bitnomial Exchange platform or Settlement Facility or any component(s) thereof; any fault, failure, malfunction, or other alleged defect in any such contractor platform; or any error, omission, delay, suspension, or inaccuracy made by Bitnomial Exchange. The Exchange shall not be liable for any damages or losses caused in whole or in part by the malfunction, unexpected function, or unintended function of the Settlement Facility or any attacks or cybersecurity breach, fraud or other illegal activity directed at the Settlement Facility. The Clearing House shall not be liable for any connectivity or communication fault, delay, or breakdown, including but not limited to, any failure to delay in transmission, disruption of common carrier lines, loss of power, acts or failures to act of any third party, natural disasters, or any and all other causes. The Exchange does not guarantee continuous, uninterrupted, or secure access to the Clearing House.~~

~~Each Market Participant assumes all risks of trading on the Bitnomial Exchange platform and use of the Settlement Facility and waives any right to assert any claim against the Exchange that access or information was not provided by the Exchange or that access or information provided by the Exchange was improper, inaccurate, or inadequate. Further, such Market Participant will not use the Exchange to contest the validity or enforceability of any trade executed on the Bitnomial Exchange platform.~~

~~Neither the Exchange, the Board of Directors, and any committees, nor any of MIA X Futures' officers, directors, or employees make any express or implied warranties or representations~~

~~relating to the Bitnomial Exchange platform, including but not limited to, warranties of merchantability and warranties of fitness for a particular purpose or use.~~

~~Notwithstanding any other provision of the Exchange Rules, in no event will any Person bring any legal action, regardless of whether liability is based on breach of contract, tort, restitution, breach of statutory duty, breach of warranty or otherwise, and regardless of whether the claim is brought directly or as a third party claim for indirect, special, incidental, consequential, or punitive damages of any kind, however suffered or incurred, and regardless of whether the party from whom such damages would be sought has been advised of the possibility of such damages or whether such damages otherwise could have been foreseen or prevented.~~