



Frequently Asked Questions

This FAQ is provided for informational use only and does not constitute legal or investing advice. All contact information can be found at the end of the document.

Overview

1. What contracts will be listed for trading on ICE Futures US (IFUS)?

The first two contracts that IFUS will list are:

- [Bakkt™ Bitcoin \(USD\) Daily Futures](#)
- [Bakkt™ Bitcoin \(USD\) Monthly Futures](#)

2. How are the futures contracts regulated?

The Bakkt Bitcoin Daily and Monthly Futures will be regulated consistent with the CFTC's regulatory requirements, as well as the compliance regime governing other contracts at IFUS, a CFTC-regulated Designated Contract Market (DCM), and at ICE Clear US (ICUS), a CFTC-regulated Derivatives Clearing Organization (DCO).

Customers' bitcoin will be stored in the Bakkt Warehouse, which is operated by a limited purpose trust company regulated by the New York State Department of Financial Services (NYDFS), that will serve as a qualified custodian.

3. When will testing functionality start?

User acceptance testing (UAT) is now open.

4. When will the futures contracts launch in production?

September 23rd, 2019.

Trading and Data

5. Are there Block minimums for these futures contracts?

Yes, the minimum block trade size is 10 contracts.

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6. Will you offer spread trading and how many spreads will be listed?

Yes. All spread combinations for all listed contracts in the Bakkt Bitcoin Monthly Futures will be supported.

The following spreads will be supported for the Bakkt Bitcoin Daily Futures:

- Spot/Next
- Spot /1 Week
- Spot /2 Week
- Spot /3 Week
- Spot /1 Month
- Spot /2 Month

7. What is the spread convention? How are spread leg prices calculated when trades are executed?

For calendar spread orders in the Bakkt Bitcoin Daily and Monthly Futures contracts, a buy order is defined as purchasing the far month and selling the near month, and a sell order is defined as selling the far month and purchasing the near month.

The leg prices for the spreads are calculated by applying an exchange calculated 'anchor price' at the time of the trade to the near month. The difference between the near month and the executed spread price will be applied to the far month.

8. What are the trading hours?

Trading hours are 8:00 p.m. EPT to 6:00 p.m. EPT, Sunday to Friday.

9. What is the relationship between the Bakkt Bitcoin Daily and Monthly Futures and the bitcoin spot market?

The Bakkt Bitcoin Daily and Monthly Futures have no reliance on the bitcoin spot market.



10. What are the fees?

Fees are waived through December 31, 2019. The following fees will apply thereafter:

Fee Category	Bakkt Bitcoin Daily Futures	Bakkt Bitcoin Monthly Futures
Exchange and Clearing Fee - Screen Trades	\$1.00/contract	\$1.25/contract
Exchange and Clearing Fee - EFP & Block Trades	\$1.60/contract	\$1.85/contract
Delivery Fee	\$9.75/contract	\$9.75/contract

11. Will there be market makers for the futures contracts?

Yes, IFUS intends to introduce market maker programs to support screen trading of the Bakkt Bitcoin Daily and Monthly Futures. Please find more information [here](#).

12. What is the cost to access data associated with the futures contracts?

There will be a data fee waiver through June 30, 2020. Thereafter, if you are an IFUS subscriber the data associated with the Bakkt Bitcoin Daily and Monthly Futures is included for no fee. If you are not a subscriber to IFUS data, there will be a retail-priced data feed.

Clearing

13. Do I need a clearing member relationship to trade the futures contracts?

Yes. All trading participants will need a futures commission merchant (FCM) who is a clearing member of ICUS to trade and clear the Bakkt Bitcoin Daily and Monthly Futures.



14. How are the futures contracts margined?

ICUS initial margin for the Bakkt Bitcoin Daily and Monthly Futures is expected to be approximately 37% for outright contracts. Margin for spreads are expected to range between \$400 and \$800 per spread position depending on the difference between the two expiration dates. As with all contracts, the ICUS risk department reserves the right to adjust the margin level based on market conditions.

Bakkt Warehouse

15. What role does the Bakkt Warehouse play?

The Bakkt Warehouse is operated by a regulated entity and includes the security and software system that stores and delivers bitcoin associated with trading the Bakkt Bitcoin Daily and Monthly Futures. Please reach out to the [Bakkt Warehouse Operations](#) to learn more about the Bakkt Warehouse.

16. Is bitcoin in the Bakkt Warehouse insured?

Yes. Bakkt's cold and warm wallets are covered by a \$125,000,000 insurance policy from a leading global syndicate. Bakkt will regularly review its insurance program and coverage limits based on risk and assets under custody.

17. What are the custody fees for storing bitcoin at the Bakkt Warehouse?

There will be a fee holiday, through June 30th, 2020, for bitcoin stored at the Bakkt Warehouse that is associated with the Bakkt Bitcoin Daily and Monthly Futures.

18. How is the Bakkt Warehouse infrastructure secured?

Bitcoin held at the Bakkt Warehouse will be secured in a combination of warm and cold wallets. Bakkt's custody solution is a secure method of storing bitcoin, with the vast majority of customer funds stored offline and safeguarded by robust operational controls.

19. How do I learn more about Bakkt and the launch of the futures contracts?

IFUS and ICUS will issue trading and clearing notices regarding the Bakkt Bitcoin Daily and Monthly Futures launch. To learn more about the futures, customers may contact: [ICE Help Desk](#) or [Bakkt Sales](#). Customers of IFUS may also contact their clearing members about the launch and support of the Bakkt Bitcoin Daily and Monthly Futures.

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Anyone looking to stay up to date on Bakkt and the launch of the Bakkt Bitcoin Daily and Monthly Futures product can sign up for news at www.bakkt.com, and follow Bakkt's development on [Medium](#) and [Twitter](#).

Contact Information: [Bakkt Sales](#), [Bakkt Warehouse Operations](#), [ICE Help Desk](#).

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