PROPHETX

August 12, 2026

**SUBMITTED VIA CFTC PORTAL**

Secretary of the Commission
Office of the Secretariat
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**Re: ProphetX LLC – Amendment to New Market Participant Bonus Program**

Dear Sir or Madam,

ProphetX LLC ("ProphetX" or the "Exchange") hereby certifies that, pursuant to ProphetX Rule 3.6(f), Section 5c(c) of the Commodity Exchange Act ("CEA"), and Commodity Futures Trading Commission ("CFTC") Regulation 40.6(a), it is amending the New Market Participant Bonus Program (the "Program"), which the Exchange certified to the Commission on June 12, 2026 and which became effective on June 29, 2026. The amended Program terms are set forth in Appendix A. The amendments will become effective on August 26, 2026, which is no earlier than ten (10) business days following the date of this certification.

**Summary of Amendments**

The Exchange is amending the Program in four respects:

1. *Qualifying trade threshold.* The minimum qualifying trade requirement is increased from $10.00 to $50.00, and may be satisfied through one or more trades in the aggregate rather than in a single transaction. Trades executed at a price above $0.80 do not count toward the requirement.

2. *Incentive Funds amount and payment schedule.* The Incentive Funds are increased from a one-time credit of $20.00 to an aggregate of $75.00, credited in three (3) equal installments of $25.00 on the first, seventh, and fourteenth calendar days following the date on which the Participant satisfies the qualifying trade requirement.

3. *Program term.* The Program will terminate on the earlier of December 31, 2026 and the date on which 50,000 Participants have satisfied the Qualifying Trade Requirement under the Program. This replaces the prior term, which ran to the later of fifty-two (52) weeks from the start date and 500,000 Participants onboarded.

4. *Prospective application.* The amended terms apply only to Participants whose Qualification Date occurs on or after the effective date of these amendments. Participants who satisfied the Program's eligibility requirements before that date received Incentive Funds under the terms then in effect and are not eligible for additional or supplemental Incentive Funds.

All other terms of the Program remain unchanged.

**Purpose and Effect**

The Exchange is amending the Program to increase the marginal incentive available to prospective participants while concentrating the Program over a shorter, defined period. The increased qualifying trade threshold and the staged payment schedule are together designed to attract participants who intend to engage with the Exchange's markets on a sustained basis, rather than to complete a single de minimis transaction. Permitting the threshold to be satisfied across multiple trades, rather than in a single transaction, reduces the friction a new participant faces in qualifying and is consistent with that objective. The Exchange has also excluded trades executed at prices above $0.80 from the qualifying trade requirement. The Program is intended to encourage genuine participation in the Exchange's markets, and a trade executed deep in the money contributes little to price discovery or meaningful liquidity while returning substantially all of the Participant's capital irrespective of outcome. ProphetX anticipates that the amended Program will continue to increase the number of participants transacting in its markets, resulting in increased liquidity that benefits all participants through tighter bid/ask spreads and greater size available at each price level.

The amendments also reduce the Program's maximum aggregate financial exposure by approximately 62.5% relative to the terms certified on June 12, 2026, as described under Core Principle 21 below.

**Compliance with Core Principles**

ProphetX has concluded that the Program, as amended, is not inconsistent with the CEA and the CFTC's regulations thereunder. The following core principles most directly pertain to the Program: Core Principle 2 – Compliance with Rules; Core Principle 3 – Contracts not Readily Susceptible to Manipulation; Core Principle 4 – Prevention of Market Disruption; Core Principle 7 – Availability of General Information; Core Principle 9 – Execution of Transactions; Core Principle 12 – Protection of Markets and Market Participants; Core Principle 18 – Recordkeeping; and Core Principle 21 – Financial Resources. ProphetX Rule 3.6(f) authorizes the Exchange to establish incentive programs to encourage market participation and trading and contemplates their modification over time, and the Program as amended is consistent with that authority.

The Exchange's analysis of the Program's compliance with each of these core principles, submitted to the Commission with its June 12, 2026 certification, remains applicable to the Program as amended and is incorporated herein by reference. The amendments described above bear on that analysis in four respects, which the Exchange addresses below. The amendments do not otherwise affect the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA, do not render the Exchange's contracts readily susceptible to manipulation, and do not affect the Exchange's execution of transactions.

**Core Principle 21 – Financial Resources.** The amendments reduce the Program's maximum aggregate financial exposure. Under the terms certified on June 12, 2026, a participant cap of 500,000 and a per-participant credit of $20.00 produced a maximum aggregate exposure of $10,000,000. Under the amended terms, a participant cap of 50,000 and a per-participant credit of $75.00 produce a maximum aggregate exposure of $3,750,000. The amended cap is measured by satisfaction of the Qualifying Trade Requirement, which is the point at which the Exchange's obligation to credit Incentive Funds attaches, so this figure represents an exact ceiling rather than an estimate. Because the Incentive Funds are credited in installments on Day 1, Day 7, and Day 14 following a Participant's Qualification Date, and because unpaid installments are forfeited if a Participant ceases to satisfy the eligibility requirements before a credit date, the Exchange's actual exposure will accrue in stages and is expected to fall below that ceiling. ProphetX has considered the amended Program's anticipated cost into its rolling one-year operating cost calculation and has concluded that the Program remains economically sustainable within its projected financial resources and does not adversely affect its satisfaction of its financial resources requirements.

**Core Principle 2 – Compliance with Rules.** Rule 3.6(d) requires that fee and incentive structures be applied in a fair, transparent, and non-discriminatory manner. The amended terms apply prospectively to all Participants whose Qualification Date occurs on or after the effective date; Participants who qualified before that date received Incentive Funds under the terms then in effect and are not eligible for additional or supplemental Incentive Funds. The resulting distinction between the two cohorts is temporal rather than personal. It arises solely from the date on which a Participant elected to transact, applies uniformly to every Participant on either side of the effective date, and is not based on any characteristic of the Participant or on any factor unrelated to the Exchange's legitimate regulatory and commercial objectives. An exchange authorized to establish an incentive program under Rule 3.6(f) must necessarily be able to amend, extend, or replace that program, and any amendment to a program of finite duration will produce participants who qualified under successive sets of terms. The exclusion of trades executed at prices above $0.80 is likewise an objective condition, published in advance and applied uniformly. It attaches to the characteristics of a trade rather than to any characteristic of the Participant, and is rationally related to the Program's purpose of encouraging genuine engagement in the Exchange's markets. The condition does not restrict any Participant's ability to trade at any price; it determines only which trades count toward the Qualifying Trade Requirement. The amended eligibility criteria remain objective, are published in Appendix A prior to the effective date, and are applied uniformly to all qualifying new Market Participants, consistent with the access requirements of § 38.151.

**Core Principles 3 and 12 – Contracts Not Readily Susceptible to Manipulation; Protection of Markets and Market Participants.** Neither the staged payment schedule nor the aggregation of qualifying trades alters the Exchange's prior conclusions under these core principles. The Incentive Funds remain a fixed credit tied to satisfaction of the Qualifying Trade Requirement, and no installment is contingent on trading outcomes, trading volume, positions held, or the settlement price of any contract. A Participant who satisfies the Qualifying Trade Requirement and continues to satisfy the eligibility requirements receives all three installments irrespective of subsequent trading activity or profitability. Because only trades that open a position count toward the Qualifying Trade Requirement, and each is credited at the amount of funds used to collateralize the position opened, the requirement cannot be satisfied through offsetting or non-bona fide transactions. The exclusion of trades executed at prices above $0.80 further ensures that incentive-driven activity is directed toward contracts in which price discovery is meaningful, rather than toward deep-in-the-money contracts in which a Participant's capital is returned substantially irrespective of the outcome. The schedule therefore creates no incentive to transact for the purpose of earning the credit and no incentive to influence the settlement price or outcome of any contract. The treatment of Incentive Funds as collateral — under which Incentive Funds are utilized before other funds to collateralize new positions — is unchanged from the terms certified on June 12, 2026 and applies identically to each installment. Rule 4.12 (Prohibited Transactions and Activities) prohibits fraudulent, non-competitive, unfair, and abusive practices, including spoofing and wash sales, and applies in full to all trading conducted under the amended Program. The Exchange's surveillance program, including real-time monitoring for unusual trading activity and concentrated positions, applies to Program participants on the same basis as all other Market Participants, and the Program does not restrict the Exchange's authority to investigate, discipline, or exclude any Market Participant. The conditions that a Participant not be the subject of an open compliance investigation or review and not hold a suspended or restricted account are now tested on each installment credit date rather than on a single occasion, which strengthens the Program's integrity controls relative to the terms previously certified.

**Core Principle 18 – Recordkeeping.** In addition to the records maintained under the terms certified on June 12, 2026, the Exchange will maintain complete and accurate records of each installment of Incentive Funds credited, each eligibility determination made as of an installment credit date, and each forfeiture of an unpaid installment or of unused Incentive Funds, in accordance with Rule 2.10 and Commission Regulation 1.31. Records will be retained for a minimum of five (5) years, with the first two years in a readily accessible location. The Exchange's systems will continue to track Program participants on a per-account basis, including enforcement of the one-time-per-Participant limit and administration of the 45-calendar-day usage period applicable to each installment, and such records will be available for inspection by the Commission upon request.

Notification of this filing has been posted to ProphetX's website. The amended terms of the Program are set forth in Appendix A and will be publicly available on the Exchange's website prior to the effective date of the amendments. ProphetX will keep records of participation in the Program. ProphetX has not received any substantive opposing views with respect to the amendments from any Market Participant or other interested party.

ProphetX accordingly certifies that the Program, as amended, complies with the requirements of the CEA and the CFTC's regulations promulgated thereunder, and further certifies that, concurrent with this filing, a copy of this submission has been posted on the ProphetX website and may be accessed at: https://www.prophetx.co/lobby/t-c/filings.

Appendix A contains the amended terms of the Program in clean form. Appendix B contains the amended terms marked to show all changes from the terms certified on June 12, 2026.

If you have any questions or comments or require further information, please do not hesitate to contact me.

Sincerely,

/s/ Gabe Wong

Gabe Wong
Chief Regulatory Officer
ProphetX LLC
gabe.wong@prophetexchange.com

**Enclosures:**

Appendix A – Amended Program terms (clean)
Appendix B – Amended Program terms (marked to show changes)

## APPENDIX A

## DESCRIPTION OF NEW MARKET PARTICIPANT BONUS PROGRAM

*(As amended effective August 26, 2026)*

### Purpose

The New Market Participant Bonus Program (the "Program") is intended to broaden participation in the contracts offered by ProphetX (the "Exchange") and to deepen the liquidity available in each of its markets. Greater liquidity benefits all Market Participants (each, a "Participant") by tightening bid/ask spreads and increasing the size available at each price level.

### Scope

The Program is available to all new Participants who meet the eligibility requirements while the Program is in effect. The Program is not limited to a particular subset of the Exchange's contracts. All Participants in the Program are subject to the Exchange's Rulebook.

### Eligibility

A Participant is eligible to participate in the Program if they:

- Sign up as a first-time Participant who has not previously registered with the Exchange or affiliate of the Exchange;
- Are approved by the Exchange to open a trading account; and
- Execute one or more trades using at least $50.00 in the aggregate of funds from the Participant's account within 30 calendar days of account approval (the "Qualifying Trade Requirement").

The Qualifying Trade Requirement may be satisfied through a single trade or through multiple trades in the aggregate. Only trades that open a position are counted toward the Qualifying Trade Requirement, and the amount attributed to each such trade is the amount of funds used to collateralize the position opened. Trades executed at a price above $0.80 do not count toward the Qualifying Trade Requirement. Where an order is filled at more than one price level, each fill is evaluated separately. This condition governs only whether a trade counts toward the Qualifying Trade Requirement and does not restrict a Participant's ability to trade at any price. The date on which a Participant satisfies the Qualifying Trade Requirement is the Participant's "Qualification Date." If the funds used to satisfy the $50.00 Qualifying Trade Requirement are returned by the Exchange's payment processor or settlement bank for any reason, the Participant will be disqualified from the Program, any unpaid installments of the Incentive Funds (as defined below) will be forfeited, and a Participant who has received Incentive Funds based on such trading will be required to return the Incentive Funds.

To remain eligible for the Program, a Participant must not be the subject of an open compliance investigation or review and must not have a suspended or restricted account on each date on which an installment of the Incentive Funds is credited or used. If a Participant does not satisfy these requirements on any installment credit date, the installment scheduled for that date and all subsequent installments will be forfeited back to the Exchange.

Continued eligibility for the Program is also conditioned on the accuracy and completeness of the information provided during the Participant's account opening process. If the Exchange determines that a Participant was not eligible for the Program based on information submitted in connection with the application, the Participant may have their eligibility revoked, be disqualified from the Program, forfeit any unpaid installments, and be required to return any Incentive Funds previously received.

**Incentive Funds**

Upon satisfying all eligibility requirements, the Exchange will credit an aggregate of $75.00 (the "Incentive Funds") to the Participant's Exchange account in three (3) equal installments of $25.00 each. For purposes of the Program, the Participant's Qualification Date is "Day 0." The installments will be credited as follows:

- the first installment of $25.00 on Day 1;
- the second installment of $25.00 on Day 7; and
- the third installment of $25.00 on Day 14.

Incentive Funds may be used as funds on new trades and may be withdrawn only upon position settlement. Upon opening positions, Incentive Funds will be utilized before other funds to collateralize the new positions. Each installment of Incentive Funds must be used for trading within 45 calendar days of the date on which that installment is credited. After 45 calendar days, unused Incentive Funds from that installment will be automatically forfeited back to the Exchange. Each Participant is eligible to receive Incentive Funds under the Program only once.

If a Participant closes their Exchange account, or the Participant's account is terminated by the Exchange, before an installment credit date, the installment scheduled for that date and all subsequent installments will be forfeited back to the Exchange.

**Program Term**

The Program applies to all markets and all Market Participants on the Exchange. The amended terms of the Program will be effective on August 25, 2026, which is no earlier than ten (10) business days following their certification to the CFTC.

The Program will terminate on the earlier of:

- December 31, 2026; and
- the date on which 50,000 Participants have satisfied the Qualifying Trade Requirement under the Program,

unless extended or earlier terminated by the Exchange. The Program may be extended on the same or modified terms, subject to any required CFTC filings, certifications, or approvals.

Installments of Incentive Funds payable to a Participant whose Qualification Date occurred on or before the Program's termination date will be credited in accordance with the schedule set forth above notwithstanding the termination of the Program, and the 45-calendar-day usage period applicable to each such installment will run from the date that installment is credited, notwithstanding the termination of the Program.

**Transition**

The amended terms of the Program apply only to Participants whose Qualification Date occurs on or after August 25, 2026. A Participant whose Qualification Date occurred before that date is subject to the Program terms in effect on the date of that trade, received Incentive Funds in accordance with those terms, and is not eligible for additional or supplemental Incentive Funds under the amended terms. Each Participant remains eligible to receive Incentive Funds under the Program only once.

**Program Administration**

The Program is subject to the Exchange's Rulebook and all applicable provisions of the Commodity Exchange Act and CFTC regulations promulgated thereunder. Participation in the Program is subject to the Exchange's authority and obligations under its Rulebook and applicable law. The Exchange may modify, suspend, terminate, withdraw, or otherwise amend the Program from time to time, subject to any required CFTC filings, certifications, or approvals.

## APPENDIX B

## DESCRIPTION OF NEW MARKET PARTICIPANT BONUS PROGRAM

*(Marked to show changes from the terms certified June 12, 2026)*

*Additions are underlined; deletions are ~~struck through~~.*

### Purpose

The New Market Participant Bonus Program (the “Program”) is intended to broaden participation in the contracts offered by ProphetX (the “Exchange”) and to deepen the liquidity available in each of its markets. Greater liquidity benefits all Market Participants (each, a “Participant”) by tightening bid/ask spreads and increasing the size available at each price level.

### Scope

The Program is available to all new Participants who meet the eligibility requirements while the Program is in effect. The Program is not limited to a particular subset of the Exchange’s contracts. All Participants in the Program are subject to the Exchange’s Rulebook.

### Eligibility

A Participant is eligible to participate in the Program if they:

- Sign up as a first-time Participant who has not previously registered with the Exchange or affiliate of the Exchange;
- Are approved by the Exchange to open a trading account; and
- Execute ~~**an initial trade**~~**one or more trades** using at least **$**~~**10.00**~~**50.00 in the aggregate** of funds from the Participant’s account within 30 calendar days of account approval **(the “Qualifying Trade Requirement”)**.

~~**The qualifying initial trade must occur in one transaction.**~~**The Qualifying Trade Requirement may be satisfied through a single trade or through multiple trades in the aggregate. Only trades that open a position are counted toward the Qualifying Trade Requirement, and the amount attributed to each such trade is the amount of funds used to collateralize the position opened. Trades executed at a price above $0.80 do not count toward the Qualifying Trade Requirement. Where an order is filled at more than one price level, each fill is evaluated separately. This condition governs only whether a trade counts toward the Qualifying Trade Requirement and does not restrict a Participant's ability to trade at any price. The date on which a Participant satisfies the Qualifying Trade Requirement is the Participant’s “Qualification Date.”** If the funds used to satisfy the **$**~~**10.00**~~**50.00** ~~**qualifying trade requirement**~~**Qualifying Trade Requirement** are returned by the Exchange’s payment processor or settlement bank for any reason, the Participant will be disqualified from the Program~~**. A Participant**~~**, any unpaid installments of the Incentive Funds (as defined below) will be forfeited, and a Participant** who has received Incentive Funds ~~**(as defined below)**~~ based on such trading will be required to return the Incentive Funds.

To remain eligible for the Program, a Participant must not be the subject of an open compliance investigation or review and must not have a suspended or restricted account ~~**at the time the**~~**on each date on which an installment of the** Incentive Funds ~~**are**~~**is** credited or used. **If a Participant does not satisfy these requirements on any installment credit date, the installment scheduled for that date and all subsequent installments will be forfeited back to the Exchange.**

Continued eligibility for the Program is also conditioned on the accuracy and completeness of the information provided during the Participant's account opening process. If the Exchange determines that a Participant was not eligible for the Program based on information submitted in connection with the application, the Participant may have their eligibility revoked, be disqualified from the Program, **forfeit any unpaid installments,** and be required to return any Incentive Funds previously received.

### Incentive Funds

Upon satisfying all eligibility requirements, the Exchange will credit ~~**$20.00**~~**an aggregate of $75.00** (the "Incentive Funds") to the Participant's Exchange account ~~**within 1 calendar day.**~~**in three (3) equal installments of $25.00 each. For purposes of the Program, the Participant's Qualification Date is "Day 0." The installments will be credited as follows:**

- **the first installment of $25.00 on Day 1;**
- **the second installment of $25.00 on Day 7; and**
- **the third installment of $25.00 on Day 14.**

Incentive Funds may be used as funds on new trades and may be withdrawn only upon position settlement. Upon opening positions, Incentive Funds will be utilized before other funds to collateralize the new positions. ~~**Incentive Funds must**~~**Each installment of Incentive Funds must** be used for trading within 45 calendar days of ~~**being credited**~~**the date on which that installment is credited**. After 45 calendar days, unused Incentive Funds **from that installment** will be automatically forfeited back to the Exchange. Each Participant is eligible to receive Incentive Funds under the Program only once.

**If a Participant closes their Exchange account, or the Participant's account is terminated by the Exchange, before an installment credit date, the installment scheduled for that date and all subsequent installments will be forfeited back to the Exchange.**

### Program Term

The Program applies to all markets and all Market Participants on the Exchange. The **amended terms of the** Program will be effective on ~~**June 29, 2026**~~**August 25, 2026**, which is no earlier than ten (10) business days following ~~**its**~~**their** certification to the CFTC.

The ~~**end date of the Program is**~~**Program will terminate on** the ~~**later**~~**earlier** of:

- ~~**Fifty-two (52) weeks from the start date; and**~~
- ~~**500,000 Participants successfully onboarded under the Program,**~~

- **December 31, 2026; and**
- **the date on which 50,000 Participants have satisfied the Qualifying Trade Requirement under the Program,**

unless extended or earlier terminated by the Exchange. The Program may be extended on the same or modified terms, subject to any required CFTC filings, certifications, or approvals.

**Installments of Incentive Funds payable to a Participant whose Qualification Date occurred on or before the Program's termination date will be credited in accordance with the schedule set forth above notwithstanding the termination of the Program, and the 45-calendar-day usage period applicable to each such installment will run from the date that installment is credited, notwithstanding the termination of the Program.**

**Transition**

**The amended terms of the Program apply only to Participants whose Qualification Date occurs on or after August 25, 2026. A Participant whose Qualification Date occurred before that date is subject to the Program terms in effect on the date of that trade, received Incentive Funds in accordance with those terms, and is not eligible for additional or supplemental Incentive Funds under the amended terms. Each Participant remains eligible to receive Incentive Funds under the Program only once.**

**Program Administration**

The Program is subject to the Exchange's Rulebook and all applicable provisions of the Commodity Exchange Act and CFTC regulations promulgated thereunder. Participation in the Program is subject to the Exchange's authority and obligations under its Rulebook and applicable law. The Exchange may modify, suspend, terminate, withdraw, or otherwise amend the Program from time to time, subject to any required CFTC filings, certifications, or approvals.