UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

In the Matter of the Application
of ProphetX LLC for
Designation as a Contract Market

ORDER OF DESIGNATION

ProphetX LLC ("ProphetX" or the "Exchange"), a Delaware limited liability company headquartered in New York, New York, submitted to the Commodity Futures Trading Commission ("Commission"), pursuant to Section 5(a) of the Commodity Exchange Act ("Act"), 7 U.S.C. § 7(a), and Commission regulation 38.3(a), 17 C.F.R. § 38.3(a), an application for designation as a contract market, which includes submissions dated December 3, 2025, through June 10, 2026.

WHEREAS ProphetX represents that it will offer trading on an anonymous electronic central limit order book;

WHEREAS ProphetX represents that it is responsible for ensuring compliant surveillance, utilizing various systems and tools to monitor Exchange activity in real time and on a trade-date-plus-one business day ("T+1") basis, and for enforcing its trading rules;

WHEREAS ProphetX represents that it is responsible for ensuring compliant regulatory reporting and recordkeeping, investigations, disciplinary actions, and arbitration hearings involving ProphetX's market participants;

WHEREAS ProphetX represents that all contracts listed for trading on the Exchange will be cleared on a fully collateralized basis by a derivatives clearing organization;

WHEREAS ProphetX represents that its trading model is non-intermediated, and that the Exchange will not permit any futures commission merchant to intermediate any transactions or carry accounts for customers executing trades on, or pursuant to the rules of, the Exchange.

WHEREAS ProphetX represents that it will protect material non-public information and minimize conflicts of interest, and that the ProphetX board will include public directors with no material relationship to ProphetX;

WHEREAS ProphetX represents that it meets all the requirements for contract market designation under Section 5 of the Act, 7 U.S.C. § 7, complies with all core principles applicable to designated contract markets under Section 5(d) of the Act, 7 U.S.C. § 7(d), and the Commission's regulations thereunder, and remains subject to and will remain compliant with all provisions of the Act and the Commission's regulations applicable to designated contract markets, including self-regulatory responsibilities applicable to designated contract markets under the Act and the Commission's regulations;

WHEREAS ProphetX has demonstrated that it can provide part 16 reporting in the form and manner that is acceptable to the Commission's Division of Data and the ability to comply with the reporting requirements under Commission regulation 38.451, 17 C.F.R. § 38.451, and part 16 of the Commission's regulations; and

WHEREAS Commission staff reviewed ProphetX's application for designation as a contract market, including ProphetX's rules and representations made by ProphetX, and conducted a technical evaluation of ProphetX's operational capabilities to evaluate ProphetX's compliance with the core principles and corresponding Commission regulations applicable to designated contract markets in accordance with Section 5(d) of the Act, 7 U.S.C § 7(d), and Commission regulations 38.100-38.1201, 17 C.F.R. §§ 38.100-38.1201.

Based upon the foregoing, the Commission FINDS that, as required by Section 6(a) of the Act, 7 U.S.C. § 8(a), and Commission regulation 38.3(a), 17 C.F.R. § 38.3(a), ProphetX's application and demonstration have demonstrated ProphetX's ability to comply with the Act and Commission's regulations applicable to designated contract markets and provides sufficient assurance that ProphetX will continue to comply with the requirements of the Act and the Commission's regulations.

Therefore:

IT IS HEREBY ORDERED, pursuant to Sections 5 and 6(a) of the Act, 7 U.S.C. §§ 7 and 8(a), that the application of ProphetX for designation as a contract market is approved subject to the following terms and conditions:

(1) ProphetX shall comply with all representations and submissions made by ProphetX in support of its application for designation as a contract market, as shown in the application record;

(2) ProphetX shall comply with all provisions of the Act and all requirements set forth in the Commission's regulations, as may be amended or adopted from time to time, that are applicable to designated contract markets; and

(3) ProphetX may not permit any futures commission merchant to intermediate any transactions or carry accounts for customers executing trades on or pursuant to the rules of the Exchange unless this Order of Designation has been amended to permit futures commission merchants to carry customer accounts.

This Order of Designation is based upon the representations made and supporting material provided to the Commission by ProphetX in its application, as shown in the application record. Any changes to or omissions in the material facts or circumstances pursuant to which this Order of Designation is issued may require a new or amended order. The Commission may condition, modify, suspend, terminate, or otherwise restrict the terms of this order, as appropriate and as permitted by law, on its own motion.

Issued in Washington, D.C., this 11th day of June, 2026.

By the Commission



Robert N. Sidman
Deputy Secretary of the Commission