



## *LedgerX Background*

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### **LedgerX**

Founded in December 2013, LedgerX is an institutional trading and clearing platform that is awaiting CFTC approval to trade and clear options on Bitcoin. On September 29, 2014, LedgerX applied for registration with the CFTC as a swap execution facility (SEF) and as a derivatives clearing organization (DCO). If approved by the CFTC, LedgerX would be the first regulated Bitcoin options platform and clearing house to list and clear fully-collateralized, physically-settled Bitcoin options for the institutional market. To date, LedgerX has raised approximately \$5 million from firms including Google Ventures and LightSpeed Ventures. Industry icons Jim Newsome, former Chairman of the CFTC and former CEO of NYMEX, and Tom Lewis, former CEO of Ameritrade and former CEO of Green Exchange, currently sit on the LedgerX board of directors.

### **Timeline**

- In early October, the CFTC's Global Markets Advisory Committee discussed the agency's jurisdiction over derivatives contracts that reference digital currencies. [http://www.cftc.gov/PressRoom/Events/opaevent\\_gmac100914](http://www.cftc.gov/PressRoom/Events/opaevent_gmac100914)
- LedgerX Confirms Its Application with the CFTC  
<https://globenewswire.com/news-release/2014/10/29/677570/10105014/en/LedgerX-Aims-to-Become-the-First-U-S-Bitcoin-Options-Exchange-and-Clearing-House.html>
- On December 15<sup>th</sup>, the CFTC requested comments on the LedgerX submission by January 30<sup>th</sup> 2015. [CFTC Requests Public Comment on Related Applications Submitted by LedgerX, LLC](#)
- After the close of the comment period, LedgerX will work with the CFTC to complete the evaluation phase, with the goal of gaining approval thereafter.

### **Bitcoin Community Reaction: Comment extracted from Wall Street Journal Article**

*"It's something that I am anxious to see out there," said Bryan Crohn, chief financial officer at BitPay Inc., speaking generally about the possibility of a regulated bitcoin derivatives exchange and not about LedgerX in particular. "If the price is going down, I have nothing to minimize my downside risk," Mr. Crohn said. All BitPay can do right now is hold bitcoin and wait for the price to increase, he said. "Once we have those options, those derivatives available, we would be hiring immediately an experienced trader to do just that," Mr. Crohn said.*