

CONFIDENTIAL



FTX Official Market Maker Program

Note: this is an informal offer from ftx.com, a cryptocurrency derivatives exchange. FTX reserves the right to modify the terms of the program. FTX will review the performance of market makers every month and determine whether modifications should be made for future months. This draft was last amended in October 2019.

Requirements:

- 1) A market maker 'qualifies' for a market (perpetual swap, quarterly future, spot market, or leveraged token) on FTX if:
 - a) at least 50% of the time, they have an order within 2bps of the best bid or the best offer for at least the qualifying size.
 - i) To accommodate markets with large tick sizes, being within 1 minimum tick size of the best bid or offer also qualifies.
 - ii) For MOVE contracts the requirement is to be within 2bps of the underlying future's price of the best bid/offer in the MOVE contract; i.e. within roughly \$2 for BTC-MOVE, because BTC is trading around \$10,000.
 - b) at least 15% of the time, they have an order which is on either the best bid or the best offer for at least the qualifying size
 - c) A qualifying size is:
 - i) BTC markets: \$10,000
 - ii) ETH, EOS, and XRP markets: \$5,000
 - iii) Other markets: \$2,500
 - iv) MOVE markets: the same number of contracts as underlying future (e.g. ~1 BTC-MOVE)
- 2) Specifically, 30 times per day we snap who has at least the qualifying size within 2bps or 1 tick of the best bid and offer for each market, and who has at least the qualifying size on either the best bid or the best offer. For a given market, if a particular firm is listed within 2bps or 1 tick size of

the bid or offer for at least 50% of those snaps (so roughly 450/900 snaps), they qualify for criteria 1a; and if they have one on the best bid or offer for at least 15% of the snaps they qualify for 1b.

- a) The timing of those 30 snaps will be randomized to prevent the system from being gamable.
- 3) You will be able to track your market making performance at <https://ftx.com/profile/market-maker>

Benefits

- 1) You are paid a stipend at the end of each month for each qualifying market that month.
 - a) The stipend is \$2,500 for every BTC market (including all future, perpetuals, MOVE, spot markets, and leveraged tokens); \$1,500 for every ETH, EOS, and XRP market; and \$1,000 for every other market.
 - b) There is a maximum of \$35,000 total stipend payment per month.
- 2) You are rebated all [maker fees](#) from qualifying markets.
- 3) Market makers are enrolled in a 'soft fee cap' program. A fee threshold is set at the beginning of each month. Once a market maker hits the soft fee cap in qualifying markets, they will only pay 0.01% for takes for the rest of the month. For now, the cap is \$200,000.
 - c) This means that, once a market maker has paid \$200,000 in fees in a month between all qualifying markets combined, their taker fees for qualifying markets will be set to 0.01% for the rest of the month.
- 4) We are also inviting you to participate in FTX's [backstop liquidity provider program](#).
- 5) Market makers are given custom API ratelimits.
- 6) Market makers are given a dedicated account manager, and a direct line to a senior engineer at FTX for any API or tech questions.
- 7) Market makers can split their trading up however they want between any number of subaccounts. Volume and performance will be combined.
- 8) Market makers will be given the choice to initialize with tier 4 fees for the first month; after that fees will be determined by the [standard fee schedule](#), except with the above benefits.
- 9) Market makers will be given the opportunity to buy in to up to \$500,000 of [FTT](#) at current market prices at the start of the market making program. This FTT will be usable as collateral on FTX and will also give [fee rebates](#).

To get started on trading:

- ❖ Onboarding Guide: <https://bit.ly/30JNpFe>
- ❖ FTX Futures: ftx.com/futures
- ❖ FTX Leveraged Tokens: ftx.com/tokens
- ❖ Futures specs and other info: <https://bit.ly/2zuEhbO>
- ❖ Leveraged tokens summary: <https://bit.ly/30FKbTe>
- ❖ FTX OTC portal: ftx.com/otc
- ❖ OTC guide: bit.ly/ftx_help_otc_guide
- ❖ Fees: bit.ly/ftx_help_fees
- ❖ API docs: [http://bit.ly/ftx_help_api](https://bit.ly/ftx_help_api)

FTX:

Signature

Name

Date

Market Maker:

Signature

Name

Date