UTEX

Deliverable Futures for Crypto-Assets

Futures for the Flow blockchain tokens

Official website: https://www.onflow.org/

At the time of expiration, the futures holder receives the Flow tokens to their UTEX exchange account.

Tokens can be used as underlying assets for deliverable futures on crypto assets at the lockup stage. This is possible if there is a trader willing to sell futures at a discount from the spot price on other stock exchanges.

Lifecycle of deliverable crypto-asset futures

Trading before expiration (automatic closing of positions)

1. Before the expiration, the user can buy and sell their futures on the UTEX exchange.
2. In course of trading, the futures price is determined by the interaction of supply and demand between its participants — UTEX users. They themselves assess the possible profits and risks.
3. At the time of expiration, the position or part of it is debited from the futures position holders. In exchange for the futures positions, tokens of the corresponding blockchain are accrued to the UTEX account.
4. Until 100% of the tokens are delivered to UTEX users, trading continues as usual. See the expiration/delivery schedule below.

Target scenario: expiration

Tokens are delivered in parts (as a percentage of the user's position at the time of expiration). Expiration takes place at 08:00 UTC according to the schedule:

1.	November 21, 2021	50%
2.	December 21, 2021	8,3%
3.	January 21, 2022	9%
4.	February 21, 2022	10%
5.	March 21, 2022	11,1%
6.	April 21, 2022	12,5%
7.	May 21, 2022	14,2%
8.	June 21, 2022	16,6%
9.	July 21, 2022	20%
10.	21 August 2022	25%
11.	September 21, 2022	33%
12.	October 21, 2022	50%
13.	November 21, 2022	100%

On the expiration day:

1. The volume of the futures position is fixed for each user.
2. Long and short positions get reduced by the percentage specified in the chart.
3. Holders of short positions transfer tokens to the UTEX account.
4. Holders of long positions receive the amount of tokens equal to the amount of futures in their position sold on the expiration day.

Stressful scenario: non-delivery

A market maker may postpone or fail to deliver tokens for reasons beyond UTEX's control. In case delivery problems occur, the stock exchange makes every effort to minimize users' losses. If the delivery is postponed, UTEX immediately informs the public and notifies the holders of short and long positions by mail.

Non-standard scenario

UTEX Administration reserves the right to terminate trading in any futures unilaterally. In this case, information about the expiration date and price is published at least 10 days before the termination of trading.

After expiration

After the tokens are delivered to the UTEX account, the user can freely withdraw them to an external address or sell them on the UTEX exchange, provided that the corresponding trading pair is available.

Liquidity

Who provides liquidity and how a futures contract originates on the stock market

1. Primary liquidity is provided by a market maker, a trading participant with increased KYC requirements.
2. UTEX exchange checks market makers for ownership of a company's stock at the lock-up stage. This allows performing a delivery at the time of expiration.
3. Opening a short position is only available to a market maker. We will additionally inform you about the possibility of opening short positions for all users.
4. During the period of the futures trading on the UTEX exchange, an additional volume of futures may be offered in case there is a trader that meets the requirements of UTEX.
5. A deliverable futures for the token is an inherently risky instrument. By using this instrument, a user can lose all of his or her money. Before buying futures, make sure you understand the risks involved.