



April 19, 2018

Via CFTC Portal Submissions

Mr. Christopher Kirkpatrick  
Secretary of the Commission  
Office of the Secretariat  
Commodity Futures Trading Commission  
3 Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington D.C. 20581

**RE: Self-Certification Rule Amendments: Nadex Amends Widespread  
Surcharge - Submission Pursuant to Commission Regulation §40.6(a)**

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and section §40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission (the “Commission”) under the Act (the “Regulations”), North American Derivatives Exchange, Inc. (“Nadex”, the “Exchange”) hereby submits to the Commission its intent to amend the applicability of its Wide Spread Surcharge.

On December 2, 2016, Nadex submitted a self-certification submission notifying the Commission of its intent to assess a Wide Spread Surcharge (“Surcharge”) to its Market Maker Members, in order to encourage Market Makers to quote markets using a narrower bid and offer spread. Under the parameters of the Surcharge, Market Makers would be assessed a surcharge of 50% of a Market Maker’s average per lot profit, in a given month, above \$2.00. The Surcharge applied to both Binary and Variable Payout, otherwise known as “Spread”, contracts.

The implementation of the Surcharge appears to have succeeded in its goal of tightening the bid/offer spread, however, over the approximately 16 months the Surcharge has been in force, it has been discovered that due to the nature of the Surcharge and structure of the Nadex Spread contracts, the Surcharge may hinder Market Makers’ ability to effectively hedge their exposure and manage risk with respect to the Nadex Variable Payout contracts, in the corresponding underlying markets. Accordingly, Nadex plans to discontinue assessing the Surcharge for its Variable Payout contracts beginning for the month of May. The exact Surcharge owed by each Market Maker for a given month is assessed on (after the close of business) or after the last trading date of that month. The first calculation of Surcharges following the effective date of this submission will occur on, or after May 31, 2018, at which time the

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amount owed by each Market Maker for its average per lot profit above \$2.00 in the Binary contracts for the period May 1 – 31, 2018 will be assessed.

As was noted in its December 2, 2016 filing, the aim of the Surcharge was not to generate surcharge revenues for Nadex, but rather to incentivize Market Makers to tighten spreads, thereby providing a better market and trading experience for all market participants, and ultimately promote a greater trading volume. When the Surcharge was initially implemented, Nadex had two Market Makers contractually obligated to price its markets. Since that time, two additional non-affiliated Market Makers have joined Nadex. The addition of two Market Makers has led to more competitive quoting, and therefore has naturally resulted to narrower spreads overall. Accordingly, Nadex does not believe removing the applicability of the Surcharge to its Variable Payout contracts will negatively impact its non-Market Maker Members participating in those markets. At this time, Nadex believes the Surcharge continues to be beneficial in its Binary markets, and intends to continue the Surcharge in its Binary contracts for the foreseeable future.

### DCM Core Principles

Nadex has identified the following Designated Contract Market (“DCM”) Core Principles as potentially being impacted by the amendments to the Wide Spread Surcharge: Core Principle 2 Compliance with Rules; Core Principle 7 Availability of General Information; Core Principle 12 (Protection of Markets and Market Participants).

Core Principle 2 (Compliance with Rules), implemented by Commission Regulation 38.151 (Access Requirements) requires the DCM provide impartial access to its markets to any of its members or market participants, including comparable fee structures for members and persons with trading privileges. In its proposed amendments to Part 38 of the Commission’s Regulations, Commission staff noted that “A DCM can satisfy the requirement that membership and participation criteria are impartial, transparent, and non-discriminatory by establishing clear and impartial guidelines and procedures for granting access to its facilities and publishing such guidelines and procedures on its website. Such requirements may establish different categories of market participants, but may not discriminate within a particular category. Fee structures may differ among categories if such fee structures are reasonably related to the cost of providing access or services to a particular category.”<sup>1</sup> The categories of participants with the ability to access Nadex markets include Direct Trading Members, Market Maker Members, and FCM Members. The Wide Spread Surcharge will continue to only apply to the category of Market Maker Members, but will apply uniformly to all Nadex Market Makers in the event the profit threshold for Binary contracts is reached, and therefore no discrimination within this category will take place. Accordingly, the addition discussed herein will not negatively impact Nadex’s ability to comply with this Core Principle.

Core Principle 7 (Availability of General Information), implemented by Regulations 38.400 and 38.401 (General Requirements) require the DCM to make public the rules and specifications describing the operation of the DCM, as well as the DCM’s Rulebook, and to ensure the Rulebook is complete and accurate. The Rulebook explains that Market Makers are subject to a Wide Spread Surcharge, and references the Fee Schedule for specific details of the Surcharge. The Fee Schedule will identify the applicability of the Surcharge to the Variable Payout contracts only. Both the Rulebook and Fee

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<sup>1</sup> 75 Fed. Reg. 80579 (Dec. 22, 2010).

Schedule are publicly available on the Nadex website. Accordingly, the amendments discussed herein will not negatively impact Nadex's ability to comply with this Core Principle.

#### DCO Core Principles

Nadex has identified the following Derivatives Clearing Organization ("DCO") Core Principle as potentially being impacted by the amendments discussed herein: Core Principle L (Public Information).

Core Principle L (Public Information), implemented by Commission Regulation 39.21, requires the DCO to publicly disclose fees charged to its members. The Nadex Fee Schedule will reflect the amendments to the Wide Spread Surcharge and is public available on the Nadex website. Accordingly, the amendments discussed herein will not negatively impact Nadex's ability to comply with this Core Principle.

Pursuant to the 10-day filing period under Regulation 40.6(a)(3), this filing will be effective on May 7, 2018.

Amendments to the Wide Spread Surcharge have been outlined in Exhibit A. Specific changes to the Rules are set forth in Exhibit B. Amendments to the Fee Schedule are set forth in Exhibit C. Any deletions have been stricken out while the amendments and/or additions are underlined.

No substantive opposing views were expressed to Nadex with respect to these amendments.

Nadex hereby certifies that the amendments and additions contained herein comply with the Act, as amended, and the Commission Regulations adopted thereunder.

Nadex hereby certifies that a copy of these amendments was posted on its website at the time of this filing.

Should you have any questions regarding the above, please do not hesitate to contact me by telephone at (312) 884-0927 or by email at [jaime.walsh@nadex.com](mailto:jaime.walsh@nadex.com).

Sincerely,



Jaime Walsh  
Legal Counsel

20180420(2)

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# EXHIBIT A

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<b>Rule</b>	<b>Asset</b>	<b>Duration/Close Time</b>	<b>Action</b>	<b>Effective Date</b>
1.1	Definitions	N/A	Amend the definition of “Wide Spread Surcharge”	5/7/2018

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# EXHIBIT B

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## Amendment of Rule 1.1

*(The following Rule amendments are underlined and deletions are stricken out)*

### RULE 1.1 DEFINITIONS

When used in these Rules:

**“Affiliate”** means any corporate affiliate of Nadex.

**“Authorized Trader”** means an individual employed by a Member who is authorized by that Member to have direct access to Nadex, provided the Member maintains supervisory authority over such individual’s trading activities.

**“Binary Contract”** means the right to receive a fixed Settlement Value per contract, from Nadex on the Settlement Date dependent upon whether you are holding a long position or short position in a Binary Contract. If you are holding a long position in a Binary Contract, you have the right to receive a fixed Settlement Value from Nadex on the Settlement Date, if, and only if, the Binary Contract’s Payout Criteria encompasses the Expiration Value at Expiration. Conversely, if you are holding a short position in a Binary Contract, you have the right to receive a fixed Settlement Value if, and only if, the Binary Contract’s Payout Criteria does NOT encompass the Expiration Value at Expiration.

**“Cap”** means the maximum rate, level, amount, measure or other value of the Underlying of a Variable Payout Contract that may be the Expiration Value or the Closing Trade Value. If the actual rate, level, amount, measure, or other value of the Underlying meets or exceeds the Cap at Expiration, the Cap will be the Expiration Value.

**“Class”** means all Contracts of the same Type with the same Underlying.

**“Closing Trade Value”** means the rate, level, amount, measure, or other value of the Underlying of a Variable Payout Contract at which the Contract is closed in a Member’s or Customer’s account.

**“Commodity Futures Trading Commission” or “Commission”** means the Federal regulatory agency established by the Commodity Futures Trading act of 1974 to administer the Commodity Exchange Act.

**“Contract”** means a Variable Payout Contract or a Binary Contract.

**“Correspondent Account”** means an account as that term is defined in 31 CFR 1010.605(c).

**“Customer”** means a Commodity Customer, a Cleared Swap Customer, a FCM Member or a Trading member of Nadex, as the context requires. In this regard,

(i) “Commodity Customer” has the meaning set forth in Commission Regulation 1.3(k);

(ii) “Cleared Swap Customer” has the meaning set forth in Commission regulation 22.1;

(iii) “DCO Customer” has the same meaning as the definition “customer” set forth in Commission Regulation 190.01(l) and section 761(9) of the Bankruptcy Code and includes FCM Members and Trading Members of Nadex.

“**Dollar Multiplier**” means the monetary amount by which the rate, level, amount, measure, or other value of an Underlying of a Variable Payout Contract is multiplied to determine the Settlement Value.

“**End Date**” means the last day on which a delivery month will be used as the Underlying for Nadex contracts.

“**Expiration**” means the time on the Expiration Date established by these Rules at which a Contract expires and the Expiration Value of that Contract is determined.

“**Expiration Date**” means the date established by these Rules on which the Expiration Value of each Contract is determined.

“**Expiration Value**” means the rate, level, amount, measure, or other value of the Underlying at Expiration as calculated and/or published by the Source Agency.

“**FCM Member**” means any Member that is registered with the Commission as a Futures Commission Merchant and as a swap firm and is authorized by Nadex to intermediate orders of Commodity Customers or Cleared Swap Customers on the Market.

“**Floor**” means the minimum rate, level, amount, measure, or other value of the Underlying of a Variable Payout Contract that may be the Expiration Value or the Closing Trade Value. If the actual rate, level, amount, measure or other value of the Underlying meets or falls below the Floor on the Expiration Date, the Floor will be the Expiration Value.

“**Foreign Bank**” means a bank as that term is defined in 31 CFR 1010.100(u).

“**Last Trading Day**” means, for a particular Contract, the last date on which that Contract may be traded on the Market.

“**Limit Order**” means a request submitted to the Exchange to buy or sell a set number of contracts, in a particular product offered by Nadex, at a specified price or better price if a better price is available. The following are permissible Nadex Limit Order types, although certain order types may only be available on particular platforms or to particular Member types:



**“Fill or Kill Order” or “FOK”** is a Limit Order that will be cancelled if the Order cannot be immediately filled in its entirety.

**“Immediate or Cancel Order” or “IOC”** is a Limit Order that can be filled in whole or in part, with any remaining quantity cancelled.

**“Good ‘Til Cancel Order” or “GTC”** is a Limit Order which will remain on the market until it is filled, cancelled, or the contract expires. Any remainder of a partially filled GTC Order will stay on the market until it is filled, cancelled, or the contract expires.

**“Long Variable Payout Contract”** means (i) the right to receive at the time the Contract is closed or on the Settlement Date any positive number resulting from subtracting the Opening Trade Value from (A) the Closing Trade Value, if the Variable Payout Contract was closed by an offsetting transaction before Expiration, or (B) the Expiration Value, if the Variable Payout Contract was held to Expiration, and then multiplying the resulting figure by the Dollar Multiplier and (ii) the obligation to pay at the time the contract is closed or on the Settlement Date any positive number resulting from subtracting from the Opening Trade Value (A) the Closing Trade Value, if the Variable Payout Contract was closed by an offsetting transaction before Expiration, or (B) the Expiration Value, if the Variable Payout Contract was held to Expiration, and then multiplying the resulting figure by the Dollar Multiplier.

**“Market Order”** means a request submitted to the Exchange to buy or sell a set number of contracts, in a particular product offered by Nadex, at the market price. The following are permissible Nadex Market Order types, although certain order types may only be available on particular platforms or to particular Member types:

**“Market Order With Protection” or “MOP”** is a Market Order that will attempt to fill, in whole or part, at the current displayed price or better, or within a pre-determined number of points (Tolerance Protection) worse than the specified display price. The remainder of any Market Order With Protection that cannot be immediately filled either at the current displayed price or better, or within the Tolerance Protection, will be cancelled.

**“Market Maker”** means a Member that is granted certain privileges in exchange for assuming certain responsibilities as set forth in Chapter 4 of these Rules for the purpose of creating liquidity for certain Classes of Contracts.

**“Member”** means a Person who is approved by Nadex to be a Trading Member or a FCM\_Member and who is bound by these Rules as they may be amended from time to time.

**“Membership Agreement”** is the Nadex Membership Agreement as set forth on the Nadex website, to which all Nadex Members agree to comply.

**“Midpoint”** is the price included in the data set used in the calculation of the Expiration Value of a foreign currency contract. A Midpoint is calculated by adding the bid price and the

ask price of the relevant underlying spot currency market together and then dividing that number by two (2). For example, if the bid price is 1.3400 and the ask price is 1.3402, the two numbers are added together (totaling 2.6802) and then divided by two (2), equaling a Midpoint of 1.3401. If the spread between a particular bid price and ask price is deemed too wide (greater than ten (10) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the data set used in the Expiration Value calculation.

**“Non Post-Only Order”** is an Order that did not originate as a Post-Only Quote.

**“Opening Trade Value”** means the rate, level, amount, measure, or other value of the Underlying of a Variable Payout Contract at which the Contract is opened in a Member’s account.

**“Order”** means a request submitted to the Exchange to buy or sell a set number of contracts, in a particular product offered by Nadex in accordance with the requirements established by the Exchange.

**“Payout Criterion”** of a Contract means the Expiration Value or range of Expiration Values that will cause that Contract to pay a Settlement Value to the holder of a long position or the holder of a short position in such Contract. The holder of a long or short position in a Contract that receives a Settlement Value is considered to be “in-the-money” while the holder of either a long or short position in a Contract that does NOT receive a Settlement Value is considered to be “out-of-the-money”.

**“Person”** means an individual, sole proprietorship, corporation, limited liability company, partnership, trust, or any other entity.

**“Post-Only Quote”** is a quote submitted by a Market Maker, which has the potential to become a Limit Order if matched for trade execution, and which cannot be executed opposite another Post-Only Quote. Post-Only Quotes are either Post-Only (Price Adjustment) or Post-Only (Reject) Quotes.

**“Post-Only (Price Adjustment) Quote”** is a Post-Only Quote that will be cancelled by the Exchange in whole or in part to the extent that at the time it is submitted to the Exchange it would be immediately executable opposite another Post-Only Quote. If, some portion of such submitted Post-Only (Price Adjustment) Quote would be immediately executable opposite any resting Non-Post Only Order(s), that part of such submitted Post-Only (Price Adjustment) Quote will be matched opposite such resting Non-Post Only Order(s) by the Exchange. The remaining portion of the submitted Post-Only (Price Adjustment) Quote will be cancelled by the Exchange, leaving the opposite Post-Only Quote in the order book. Unlike a Post-Only (Reject) Quote, however, upon cancellation of the submitted Post-Only (Price Adjustment) Quote, the Exchange will automatically submit an amended quotation for the unfilled balance of the cancelled Post-Only (Price Adjustment) Quote at a price level that is adjusted (a) for Binary Contracts to four minimum tick increments, and (b) for Variable Payout

Contracts to one minimum tick increment lower (for bids) or higher (for offers) than the price level of the existing opposite Post-Only Quote.

**“Post-Only (Reject) Quote”** is a Post-Only Quote that will be cancelled by the Exchange in whole or in part to the extent that, at the time it is submitted to the Exchange it would be immediately executable opposite another Post-Only Quote. If, however, some portion of such submitted Post-Only (Reject) Quote would be immediately executable opposite any resting Non-Post Only Order(s), that part of such submitted Post-Only (Reject) Quote will be matched opposite such resting Non-Post Only Order(s) by the Exchange. The remaining portion of the submitted Post-Only (Reject) Quote will be cancelled by the Exchange, leaving the opposite Post-Only Quote in the order book.

**“Privacy Policy”** is the Nadex Privacy Policy as set forth on the Nadex website, to which all Members, FCM customers, and users of the Nadex website agree to comply.

**“Regulatory Agency”** means any government body, including the Commission and Securities and Exchange Commission, and any organization, whether domestic or foreign, granted authority under statutory or regulatory provisions to regulate its own activities and the activities of its members, and includes Nadex, any other clearing organization or contract market, any national securities exchange or clearing agency, the National Futures Association (“NFA”) and the Financial Industry Regulatory Authority (“FINRA”).

**“Reportable Level(s)”** means the aggregate contract level within a product Class at which the Exchange must report certain Member and trade information to the Commission pursuant to Commission Regulations.

**“Risk Disclosure Statement”** is the Nadex Risk Disclosure Statement as set forth on the Nadex website, to which all Nadex Members agree.

**“Series”** means all Contracts of the same Class having identical terms, including Payout Criterion and Expiration Date.

**“Settlement Date”** means the date on which money is paid to the account of a Member who has the right to receive money pursuant to a Variable Payout Contract or Binary Contract held until Expiration, and on which money is paid from the account of a Member who is obligated to pay money pursuant to a Variable Payout Contract held until Expiration. Unless otherwise specified in these Rules, the Settlement Date is the same day as the Expiration Date.

**“Settlement Value”** means the amount paid to the holders of in-the-money Contracts. The minimum Settlement Value of a Binary Contract is \$100. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

**“Short Variable Payout Contract”** means (i) the right to receive at the time the Contract is closed or on the Settlement Date any positive number resulting from subtracting from

the Opening Trade Value (A) the Closing Trade Value, if the Variable Payout Contract was closed by an offsetting transaction before Expiration, or (B) the Expiration Value, if the Variable Payout Contract was held to Expiration, and then multiplying the resulting figure by the Dollar Multiplier and (ii) the obligation to pay at the time the Contract is closed or on the Settlement Date any positive number resulting from subtracting the Opening Trade Value from (A) the Closing Trade Value, if the Variable Payout Contract was closed by an offsetting transaction before Expiration, or (B) the Expiration Value, if the Variable Payout Contract was held to Expiration, then multiplying the resulting figure by the Dollar Multiplier.

**“Source Agency”** means the agency that publishes the Underlying economic indicator and/or Expiration Value for any Contract.

**“Speculative Position Limits,” or “Position Limit”** means the maximum position, net long and net short combined, in one Series or a combination of various Series of a particular Class that may be held or controlled by one Member as prescribed by Nadex and/or the Commission.

**“Start Date”** means the date on which a new delivery month will be used as the Underlying for Nadex contracts.

**“Terms of Use”** are the Nadex Terms of Use as set forth on the Nadex website, to which all Nadex Members, FCM customers, and users of the Nadex website agree to comply.

**“Tolerance Protection”** means the defined number of points, expressed in terms of a dollar amount, away from the displayed market price that will be acceptable to fill a Market Order With Protection in whole or part, if the displayed market price or a better price is no longer available when the Exchange receives the Order.

**“Trade Day”** means the regular trading session on any given calendar date and the evening session, if any, on the immediately preceding calendar date, as specified in Rule 5.11.

**“Trading Member”** means a Person who has been approved by Nadex to trade directly and not through a FCM Member on the Market, and does not include any FCM Member.

**“Type”** means the classification of a Contract as a Variable Payout Contract or a Binary Contract.

**“Underlying”** means the index, rate, risk, measure, instrument, differential, indicator, value, contingency, occurrence, or extent of an occurrence the Expiration Value of which determines whether (and, in the case of a Variable Payout Contract, to what extent) a Contract is in-the-money.

**“US Financial Institution”** means a financial institution as that term is defined in 31 CFR 1010.100(t), subsections (1), (2), and (8), that is required to comply with the regulations issued by the United States Department of Treasury under the Bank Secrecy Act including, but not limited to, the anti-money laundering program and customer identification program rules.

**“Variable Payout Contract”** means a Long Variable Payout Contract and/or a Short Variable Payout Contract (such Variable Payout Contracts are also referred to as “Spread(s)” or “Narrow Spread(s)”).

**“Volume Threshold Level”** means the volume based Reportable Level as established by Commission Regulation 15.04.

**“Wide Spread Surcharge”** means an additional exchange fee imposed on a duly appointed Market Maker’s average per lot profit above a specified level, in a given month. Specific details pertaining to the Wide Spread Surcharge are ~~The specific percentage surcharge and specified profit trigger level will be set forth in the fee schedule on the Nadex website.~~

**“12PM”** or **“12:00 PM”** means 12:00 Noon

RULES 1.2 – 12.78 [UNCHANGED]

*End of Rulebook*

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# EXHIBIT C

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**DIRECT TRADING MEMBERS**

**Membership Fee:**

- Nadex does not charge a Membership fee to join the Exchange.

**Initial Deposit:**

- Direct Trading Members are required to make an initial deposit of at least \$250; no minimum balance is required thereafter.

**Transaction Fees:**

Nadex charges no fee for orders placed, cancelled or amended.

Direct Trading Members incur an Exchange trading fee per contract per side for each trade executed based on order size according to the following schedule:

- \$1.00 for each lot traded from 1 up to and including 50 lots;
- An additional \$0.00 for each lot over 50 lots.

**Settlement Fees:**

Nadex charges no fee for contracts that settle out-of-the-money.

Direct Trading Members incur an Exchange settlement fee per contract per side for each contract that settles in-the-money based on the position size at expiration according to the following schedule:

- \$1.00 for each lot settled in-the-money.

If the per-contract settlement payout is greater than \$0, but the total fee to be charged for the position exceeds the total settlement payout for that position, Nadex will reduce its fee to the amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).

**FCM MEMBERS**

**Membership Fee:**

- Nadex does not charge a FCM Membership fee to join the Exchange.

**Minimum Balance:**

- FCM Members are required to make an initial deposit of at least \$100,000 and to maintain a minimum balance of uncommitted funds of \$50,000.

**Transaction Fees:**

Nadex charges no fee for orders placed, cancelled or amended.

FCM Members incur an Exchange trading fee per contract per side for each contract executed based on order size according to the following schedule:

- \$0.35 for each lot traded from 1 up to and including 10 lots;
- \$0.00 for each lot traded over 10.

**Settlement Fees:**

FCM Members incur an Exchange settlement fee per contract per side for each contract that settles in-the-money based on the position size at expiration according to the following schedule:

- \$0.35 for each lot settled in-the-money.

If the per-contract settlement payout is greater than \$0, but the total fee to be charged for the position exceeds the total settlement payout for that position, Nadex will reduce its fee to the amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).

Nadex charges no fee for contracts that settle out-of-the-money.

**MARKET MAKERS**

**Membership Fee:**

- Nadex does not charge Market Makers a membership fee.

**Minimum Balance:**

- Market Makers are required to make an initial deposit of at least \$500,000 and to maintain a minimum balance of uncommitted funds of \$250,000 to collateralize the trades executed on Nadex.

**Transaction Fees\*:**

Nadex charges no fee for Market Maker quotes placed, cancelled or amended.

Nadex charges its non-intermediated Market Makers an Exchange trading fee of \$0.50 per contract per side for each trade executed on Nadex.

**Settlement Fees\*:**

Nadex charges its non-intermediated Market Makers an Exchange settlement fee of \$0.50 per contract per side for each contract that settles in-the-money. If the total fee to be charged for the position exceeds the total settlement payout for that position, Nadex will reduce its fee to the amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).

Nadex charges no fee for contracts that settle out-of-the-money.

**Additional Fees:**

Market Makers will be assessed a Wide Spread Surcharge equal to 50% of the average per lot profit above \$2.00 (after standard transaction and settlement fees), in a given month. This Surcharge is applicable only to Binary contracts.

**SYSTEM PROVIDERS**

Nadex is interested in discussing partnership opportunities with systems providers.

Anyone interested in becoming a Nadex FCM Member or Market Maker or pursuing a partnership as a systems provider should contact us.

# NADEX FEE SCHEDULE CHART:

EFFECTIVE JANUARY 3, 2017

## TRADING FEES

### Direct Member Exchange Trading Fees

Lots Traded	Fees Per Side
Lots 1-50	\$1.00
Lots above 50	\$ 0.00

### FCM Member Exchange Trading Fees

Lots Traded	Fees Per Side
All lots traded	\$0.35

### Market Maker Member Exchange Trading Fees

Lots Traded	Fees Per Side
All lots traded	\$0.50

## SETTLEMENT FEES

### Direct Member Settlement Fees\*

Lots Settled in-the-money	Fees Per Side
All lots settled in-the-money	\$1.00

### FCM Member Settlement Fees\*

Lots Settled in-the-money	Fees Per Side
All lots settled in-the-money	\$0.35

### Market Maker Member Settlement Fees\*

Lots Settled in-the-money	Fees Per Side
All lots settled in-the-money	\$0.50

## ADDITIONAL MARKET MAKER FEE

Average per Lot Profit per Month (Binaries only)	Wide Spread Surcharge
Over \$2.00	50% above \$2.00

\*If the per-contract settlement payout is greater than \$0, but the total fee to be charged for the position exceeds the total settlement payout for that position, Nadex will reduce its fee to the amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).

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