

November 1, 2018

VIA PORTAL

Commodity Futures Trading Commission
Attention: Christopher Kirkpatrick, Secretary
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: CFTC Regulation 40.6(a) Certification: Submission of Amendments to the Nodal Exchange Rulebook

Dear Mr. Kirkpatrick:

Nodal Exchange, LLC (“Nodal Exchange” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying amendments to the Nodal Exchange Rulebook (“Rules”) pursuant to Commission Regulation 40.6(a). The Exchange is amending Section I *Definitions*, Section 3.12 *Access Requirements and Terms* and portions of Section IV *Market Operations* which are attached hereto and indicate the specific text in red that is being amended. The Exchange intends to implement the amended Rules in 10 business days on November 16, 2018.

The Rules are being revised for the launch of Nodal T7, a Central Limit Order Book for trading Nodal Contracts. In addition, the Rules are being revised to reflect the introduction of Nodal Contracts based on environmental products for physical delivery, which will be offered on Nodal T7 and Nodal Block Trade. Accordingly, Rulebook Section I is being amended to define several key terms associated with the new Nodal T7 platform and the introduction of physically delivered Nodal Contracts. Rulebook Section 3.12 is being amended to explicitly define access requirements and terms associated with participation on Nodal Exchange, including Nodal T7. Rulebook Section IV is being amended to address the market operations associated with Nodal T7 and the settlement process for Nodal Contracts based on environmental products. With respect to Nodal T7, the Exchange is adding Rules to Section IV regarding the use of user IDs, order requirements, order types, order validity, submission, modification and cancellation, clearing and trading information. In addition, the Exchange is amending Section IV of the Rulebook to address physical delivery.

Exchange management has assessed the amendments to the Rules, and their compliance with applicable provisions of the Act, including the Commissions Regulations and the Core

Principles. Nodal Exchange has identified that the amendments may affect the following Core Principles as follows:

Core Principle 2 - Compliance with the Rules: The amendments to the Rules provide clarity and consistency with the Act for compliance with the Rules.

Core Principle 4 - Prevention of Market Disruption: All activity performed on Nodal T7 and all trading in Environmental products will be subject to the Nodal Exchange Rulebook Section VI, which prohibits disruptive trading behavior and manipulation, subject to monitoring and surveillance by the Exchange's Division of Market Administration and Surveillance.

Core Principle 7 - Availability of General Information: The amendments to the Rules provide clarity to Exchange Participants. The amended Rules are available to market authorities, Participants, Authorized Brokers and the public on the Exchange website.

Core Principle 9 - Execution of Transactions: Nodal T7 provides the market with the ability to execute the Exchange's contracts from the interaction of multiple bids and multiple offers within a predetermined, nondiscretionary automated trade matching and execution algorithm.

Core Principle 10 - Trade Information: Nodal T7 will maintain all information with respect to each order and each consummated trade, as well as all other information relating to the trade environment that determines the matching and clearing of trades. As such, any order submitted to Nodal T7 can be tracked from the time it is entered into the system until the time that it is matched, canceled or otherwise removed.

Core Principle 11 - Financial Integrity of Transactions: The Exchange has entered into a clearing arrangement with Nodal Clear, a derivatives clearing organization subject to Part 39 of the Commission Regulations. Contracts executed on the Nodal T7 will be subject to the Exchange Rulebook provisions for submission to Nodal Clear for clearing as described in Section V.

Core Principle 12 - Protection of Markets and Market Participants: Section VI of the Nodal Exchange Rulebook protects the market and market participants from abusive, disruptive, fraudulent, noncompetitive and unfair conduct and trade practices. Trading on Nodal T7 is subject to these rules that apply to all transactions in the Exchange's contracts.

Core Principle 13 - Disciplinary Procedures: Section VII of the Nodal Exchange Rulebook describes the disciplinary procedures of the Exchange that authorize the Exchange to discipline, suspend, or expel anyone on the Exchange that violates these rules.

Pursuant to Section 5c(c) of the Act and the Commission's Regulation 40.6, the Exchange certifies that amended Rules comply with the Act and the Commission's Regulations

thereunder. There have not been any opposing views expressed regarding the amendments to the Rules.

Nodal Exchange certifies that this submission has been concurrently posted on the Nodal Exchange website at www.nodalexchange.com.

If you have any question or need additional information regarding this submission, please contact me at 703-962-9853 or Markotic@nodalexchange.com.

Sincerely,

/s/ Max Markotic

Senior Compliance Manager

Attachment:

Redline of Nodal Exchange Rulebook Section I
Redline of Nodal Exchange Rulebook Section 3.12
Redline of Nodal Exchange Rulebook Section IV