



December 20, 2019

Via CFTC Portal Submissions

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

RE: Self-Certification Rule Amendments: Nadex Amends Rules 2.10 Consent to Jurisdiction – 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 its Rules 2.10 Consent to Jurisdiction.

Nadex Rule 2.10, Consent to Jurisdiction, was added in August 2012 pursuant to a Joint Compliance Committee (“JCC”) consensus that all Exchanges would adopt similar language requiring any person initiating or executing a transaction on or subject to the Rules of the Exchange directly or through an intermediary, and any person for whose benefit such a transaction has been initiated or executed, consent to the jurisdiction of the Exchange. In September 2019, Nadex added a provision to the Rule to clarify that this jurisdiction is continuing and shall survive termination of membership. Nadex is now amending its Rule 2.10 to incorporate additional language agreed upon by the JCC in December 2019 to further clarify the Exchange’s jurisdiction over those who facilitate transactions on or subject to the Rules of the Exchange.

North American Derivatives Exchange, Inc., 200 West Jackson Blvd., Suite 1400, Chicago, IL 60606

20191220(2)

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

DCM Core Principles

Nadex has identified the following Designated Contract Market (“DCM”) Core Principles as potentially being impacted by this amendment: Core Principle 2 (Compliance with Rules) and 7 (Availability of General Information).

Core Principle 2, as implemented by Regulation 38.153, requires a DCM to have arrangements and resources for effective enforcement of its rules, including the authority to collect information and documents, and authority to examine books and records kept by a DCM Members and by persons under investigation. Nadex is amending its Rule 2.10 to clarify that any futures commission merchant, introducing broker, associated person, or foreign Person performing a similar role, that charges a commission or fee in connection with transactions on or subject to the Rules of the Exchange also expressly consent to the Exchange’s jurisdiction. The clarification, which will be adopted by all members of the JCC, furthers the Exchange’s capacity to detect and investigate rule violations and not negatively impact Nadex’s ability to comply with this Core Principle.

Core Principle 7, as implemented by Regulation 38.401, requires a DCM to publish an accurate, complete, and current Rulebook on its website. The Nadex Rulebook is readily available to the public on the Nadex website and will continue to be made available on the website when Rule 2.10 is updated with the new language discussed herein. Accordingly, these amendments will not have a negative impact on Nadex’s ability to comply with this Core Principle.

DCO Core Principles

Nadex has identified the following Derivatives Clearing Organization (“DCO”) Core Principles has potentially being impacted by these amendments: Core Principle H (Rule Enforcement) and Core Principle L (Public Information).

Core Principle H, as implemented by Commission Regulation 39.17, requires a DCO to have the authority and ability to discipline, limit, suspend, or terminate the activity of a clearing member due to a violation by the clearing member of any rule of a DCO. Nadex is amending its Rule 2.10 to clarify Nadex’s jurisdictional authority in furtherance of Nadex’s authority to discipline, limit, suspend or terminate the activity of a clearing member under this Core Principle. Accordingly, the amendment discussed herein will not negatively impact Nadex’s ability to comply with this Core Principle.

Core Principle L, as implemented by Regulation 39.21, requires a DCO to make its Rulebook publicly available. As previously noted, the Nadex Rulebook is published on the Nadex website, and will continue to be made available on the website with the amendments discussed herein. Accordingly, these amendments will not have a negative impact on Nadex’s ability to comply with this Core Principle

Amendments to the Rulebook have been outlined in Exhibit A. Specific amendments are set forth in Exhibit B. Any deletions are stricken out while the amendments and/or additions are underlined.

Pursuant to the 10-day filing period under Regulation 40.6(a)(3), Nadex intends to implement these new rules and amendments on trade date January 8, 2020.

Nadex hereby certifies that the additions contained herein comply with the Act, as amended, and the Commission Regulations adopted thereunder. No substantive opposing views were expressed to Nadex with respect to any of these actions. Nadex hereby certifies that notice of these events 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.

Sincerely,



Jaime M. Walsh
Legal Counsel

EXHIBIT A

Rule	Asset	Duration/Close Time	Action	Effective Date
2.10	Consent to Jurisdiction	N/A	Add language clarifying jurisdiction.	1/8/2020

North American Derivatives Exchange, Inc., 200 West Jackson Blvd., Suite 1400, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

EXHIBIT B

Amendment of Rules 2.10

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

RULES 1.1 – 2.9 [UNCHANGED]

RULE 2.10 CONSENT TO JURISDICTION

Any Person initiating or executing a transaction on or subject to the Rules of the Exchange directly or through an intermediary, and any Person for whose benefit such a transaction has been initiated or executed, expressly consents to the jurisdiction of the Exchange and agrees to be bound by and comply with the Rules of the Exchange in relation to such transactions, including, but not limited to, rules requiring cooperation and participation in investigatory and disciplinary processes. Any futures commission merchant, introducing broker, associated person, or foreign Person performing a similar role, that charges a commission or fee in connection with transactions on or subject to the Rules of the Exchange also expressly consent to the Exchange's jurisdiction. The consent to jurisdiction under this Rule shall continue notwithstanding a termination of any Person's membership.

RULES 3.1 – 12.65 [UNCHANGED]

End of Rulebook.

The remainder of this page has intentionally been left blank.