

November 21, 2024

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: Rule Self-Certification: Amendments to Underlying Rollover Schedule in Nadex's Gold and Silver Contracts - Submission Pursuant to Commission Regulation §40.6(a)

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the "Act"), and §40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission (the "Commission") under the Act, North American Derivatives Exchange, Inc. ("Nadex") d/b/a crypto.com | Derivatives North America, hereby submits to the Commission its intent to amend Nadex Rule 3.1. Specifically, Nadex will be amending its membership rule in order to include Entities (as defined in Chapter 1 of the Nadex Rulebook) who are validly organized in a Non-US jurisdiction to be eligible for Nadex Membership as a Trading Member.

See Appendix A for a redlined Rulebook depicting the relevant changes for the above listed Nadex Rule.

Analysis of Nadex Rule Amendments Compliance With Core Principles

DCM Core Principles

Nadex has identified the following DCM Core Principles as potentially being impacted by the additional requirements for affiliated Trading: Core Principle 2 (Compliance With Rules), Core Principle 7 (Availability of General Information), Core Principle 11 (Financial Integrity of Transactions), and Core Principle 12 (Protection of Markets and Market Participants).

Core Principle 2 requires that the DCM establish, monitor and enforce compliance with the rules of the DCM, including Access Requirements. Non-US based Entities will be subject to the same requirements as US based Entities in order to be eligible for Nadex Membership. Specifically, like US based Entities, non-US based Entities will be subject to an identification verification process and assessment of any other risk factors discovered by the Compliance Department. In addition, a non-US based Entity must agree to comply with Exchange Rules, Membership Agreement, and Terms of Use. By agreeing to Exchange Rules, the non-US based Entity consents to the DCM's jurisdiction pursuant to Nadex Rule 2.10. Therefore, the amendment will not negatively impact Nadex's ability to comply with this Core Principle.

Core Principle 7 requires that the DCM ensure that its Rulebook is accurate, complete, current and readily accessible to the public, and all new or amended rules, both substantive and non-substantive, shall be reflected in the Rulebook on the date of implementation. Nadex makes its Rulebook publicly available on the Nadex website. On the effective date of this submission, the Rulebook will be updated and published with the aforementioned rule amendment. Accordingly, this amendment will not negatively affect Nadex's ability to comply with this Core Principle.

Core Principle 11 requires a DCM that permits direct electronic access, to have in place effective systems and controls to manage financial risk. Nadex contracts are fully collateralized instruments. Non-US based Entities must have sufficient funds in their account to cover the cost of the trade before their order will be accepted by the Exchange. Therefore, the amendment will not negatively impact Nadex's ability to comply with this Core Principle.

Core Principle 12 requires the DCM to have and enforce rules that are designed to promote fair and equitable trading, and to protect the market and market participants from abusive practices, including fraudulent, noncompetitive or unfair actions. Nadex uses the automated Scila Surveillance System to aid in the real-time monitoring of all trading activity. Like US based Entities, all transactions by non-US based Entity Trading Members will be tracked in Scila. Alerts and reports will be generated in the same manner as currently generated for US resident Members. Additionally, as with US based Entity Trading Members, non-US based Entity Trading Members will have undergone an identification verification process, which will enable Nadex to take appropriate action against the proper Entity in the event that a Member violates an Exchange Rule. Therefore, expanding Membership to Entities outside of the US will not negatively impact Nadex's ability to comply

with this Core Principle.

DCO Core Principles

Nadex has identified the following DCO Core Principles as potentially being impacted by the additional means of funding a Nadex account: Core Principle C (Participant and Product Eligibility), and Core Principle L (Public Information).

Core Principle C requires that the DCO establish appropriate admission and continuing participant requirements for clearing Members that are objective, publicly disclosed, and risk based. To be eligible for Nadex Membership, non-US based Entity Trading members will be subject to the same eligibility requirements as US based Entity Trading Members, which are set forth in Nadex Rule 3.1 and is publicly available on the Nadex website. The requirements for Membership are risk-based and in place to ensure applicants have their true and correct identity, and do not have relevant criminal or regulatory history that could potentially harm the Exchange. Accordingly, this amendment will not negatively impact Nadex's ability to comply with this Core Principle.

Core Principle L requires a DCO make publicly available its rules in a clear and comprehensive manner. Nadex makes its Rulebook publicly available on its website, which will be updated with the additions discussed herein on the effective date. Accordingly, these amendments will not negatively affect Nadex's ability to comply with this Core Principle.

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The amendments to the Rulebook are set forth in Exhibit A. Any deletions are stricken out while the amendments and/or additions are underlined.

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 amendments was posted on its website at the time of this filing.

In accordance with the 10-day review period set forth in Commission Regulation 40.6(a)(3), these Rule changes will be effective as of December 6, 2024.

Should you have any questions regarding the above, please do not hesitate to contact me by telephone at (312) 884-0161 or by email at kevin.dan@nadex.com.

Sincerely,



Kevin J. Dan
Chief Compliance Officer Chief Regulatory Officer

