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NADEX

February 27, 2015

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 of Rule Amendments: Nadex Narrows Strike Width in Daily and Intraday Copper and Natural Gas Binary Contracts and Adds Additional Strikes in its Intraday Copper and Natural Gas Binary 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 ("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 narrow the strike width in its Daily Copper Binary contracts from 0.02 to 0.01, and in its Intraday Copper Binary contracts from 0.075 to 0.005. Nadex is also narrowing the strike width in its Daily Natural Gas Binary contracts from 0.04 to 0.02, and in its Intraday Natural Gas Binary contracts from 0.20 to 0.01.

Additionally, Nadex plans to add additional strikes in the Intraday Copper and Natural Gas Binary contracts to afford its market participants greater trading opportunities once the strike width becomes tighter. The Intraday Copper and Natural Gas Binary contracts are also currently the only Intraday Binary contracts to list only three strike levels per contract. Nadex would like to increase the number of strike levels to nine, which would make the number of available strike levels for the Intraday Binary contracts uniform across the commodity products.

DCM Core Principle Compliance

Nadex has identified the following Designated Contract Market ("DCM") Core Principles as potentially being impacted by the amendments discussed herein: Core Principle 2 (Compliance with Rules: Automated Trade Surveillance System, Real-time Market Monitoring); Core Principle 3 (Contracts Not Readily Subject to Manipulation); Core Principle 4 (Prevention of Market Disruption); Core Principle 7 (Availability of General Information); and Core Principle 8 (Daily Publication of Trading Information).

Core Principle 2 (Compliance with Rules: Automated Trade Surveillance System, Real-time Market Monitoring), implemented by regulations 38.156 and 38.157, require the DCM to maintain an automated trade surveillance system capable of detecting and investigating potential trade practice violations, and to conduct real-time market monitoring of all trading activity. Nadex uses the automated SMARTS® surveillance system to aid in the ongoing monitoring of all trading activity, and has the capability of detecting potential trade practice violations based on the parameters set by the DCM. This surveillance system monitors activity in real-time and as with all contracts, day or night, the system will continue to monitor the additional currency strikes. Additionally, Nadex staff monitors trading activity, and has access to technical support from parent offices in the United Kingdom and Australia in addition to hot-line support by Nadex IT staff. Therefore, the listing of the additional strike levels and narrowing strike width will not negatively impact Nadex's ability to comply with this Core Principle.

Core Principles 3 (Contracts Not Readily Subject to Manipulation), implemented by regulation 38.200, and 4 (Prevention of Market Disruption General Requirements), implemented by regulations 38.250 and 38.251, require the DCM to list only contracts that are not readily susceptible to manipulation and to prevent market disruption. Nadex is already listing strikes in the Intraday Copper and Natural Gas Binary contracts during the times at which the additional strikes will expire and settle. Therefore Nadex has already determined that the contracts listed in the Intraday Copper and Natural Gas Binary contracts with these particular expiration times are not readily susceptible to manipulation and are not likely to cause market disruption. The additional strikes in these markets will be structured in the same manner, expire at the same times, and have the same settlement process which mitigates the possibility of manipulation, as those contracts currently listed. The addition of strikes is merely providing participants a greater range of in-the-money trading opportunities. Like all other contracts listed on the Exchange, Nadex has designated a market maker who is obligated to provide liquidity in these contracts, limiting opportunities for the market to be manipulated. Nadex also uses the SMARTS surveillance system to assist with market monitoring and has a staff dedicated to market surveillance. Therefore, Nadex's ability to comply with this Core Principle will not be negatively impacted.

Core Principles 7 (Availability of General Information), implemented by regulations 38.400 and 38.401, and 8 (Daily Publication of Trading Information), implemented by regulations 38.450 and 38.451, require the DCM to make available to the public accurate information regarding the contract terms and conditions, as well as daily information on contracts such as settlement price, volume, open interest, and opening and closing ranges. Nadex makes available on its website the Exchange Rulebook, as well as the Daily Bulletin which contains the preceding information. The Results page on the website also publishes the Expiration Value and Settlement Value for all Nadex contracts settled during that week. Contract specifications in the Nadex Rulebook will be amended to reflect the new strike levels in the Intraday Copper and Natural Gas Binary contracts and will be made available on the Nadex website. Daily settlement prices, volume, open interest, and opening and closing ranges for the new strike levels will be included on the Daily Bulletin and posted on the Nadex website. Therefore, the listing of additional strikes in the Intraday Copper and Natural Gas Binary contracts and narrowing the strike width will not negatively impact Nadex's ability to comply with this Core Principle.

DCO Core Principle Compliance

Nadex has identified the following Derivatives Clearing Organization ("DCO") Core Principles as potentially being impacted by the amendments discussed herein: Core Principle C (Participant and Product Eligibility); and Core Principle L (Public Information).

Core Principle C (Participant and Product Eligibility), implemented by regulation 39.12, requires the DCO to determine the eligibility of contracts for clearing. Nadex is already listing strikes in the Intraday Copper and Natural Gas Binary contracts during the times at which the additional strikes will expire and settle. Therefore Nadex has already determined that the contracts in these currencies are eligible for clearing. The additional strikes in these contracts will be structured in the same manner, expire at the same times, and have the same settlement process which mitigates the possibility of manipulation, as those contracts currently being cleared by the DCO. Liquidity in these markets will not be affected by the additional strikes as Nadex has a dedicated market maker who is obligated to provide a market for these contracts, including all strikes, pursuant to the Market Maker Agreement. Nadex therefore believes the additional strikes are appropriate and eligible for clearing. Finally, all trading in these strikes, like all Nadex contracts, will be conducted on a fully-collateralized basis, thereby mitigating any credit risk of a particular member to Nadex or other market participant. Therefore, the amendments discussed herein will not negatively affect Nadex's ability to comply with this Core Principle.

Core Principle L (Public Information), implemented by regulation 39.21, requires the DCO to make available to the public the terms and conditions of each contract, as well as the daily settlement prices, volume, and open interest of the contract. As stated previously, the Rulebook, which contains the terms and conditions for each contract, is made available to the public on the Nadex website. Settlement values for the additional Intraday Copper and Natural Gas Binary strikes will be listed on the Nadex website on the 'Results Page', as well as the Daily Bulletin which also shows volume and open interest. Therefore, the addition of strikes in these products and narrowing of strike width will not negatively impact Nadex's ability to comply with this Core Principle.

In accordance with the 10-day review period set forth in Commission Regulation 40.6(b), Nadex plans to implement these Rule changes for the start of business on trade date March 16, 2015.

These Rule changes have been outlined in Exhibit A. The amendments to the Rulebook are set forth in Exhibit B. 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.

Nadex hereby certifies that a copy of these additions 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) 884-0953 or by email at donald.horwitz@nadex.com.

Sincerely,

Donald L. Horwitz General Counsel and
Chief Regulatory Officer

EXHIBIT A

Rule	Asset	Duration/Close Time	Action	Effective Date
12.3	Copper Binary Contracts	Daily 1:00pm ET Intraday 10:00am, 11:00am, 12:00pm ET	Narrow Strike Width in Daily and Intraday, and Add Strikes in Intraday Copper Binary.	3/16/2015
12.11	Natural Gas Binary Contracts	Daily 2:30pm ET Intraday 10:00am, 11:00am, 12:00pm, 1:00pm, 2:00pm ET	Narrow Strike Width in Daily and Intraday, and Add Strikes in Intraday Natural Gas Binary.	3/16/2015

EXHIBIT B

Amendments of 12.3 and 12.11

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

RULE 1.1 - 12.2 [UNCHANGED]

RULE 12.3 COPPER BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Copper Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Copper price per pound (in U.S. cents), obtained from the specified Copper Futures Contracts ("CPFC") trading in the COMEX Division on the New York Mercantile Exchange ("NYMEX"®)[1]. The CPFC prices that will be used to calculate the Underlying will be taken from the March, May, July, September, or December CPFC delivery months (each a "CPFC Delivery Month"). The Start and End Date for which Nadex will use a specific delivery month as the Underlying will be set based on the Settlement date of the Underlying futures contract. The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. "Start Date") is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. "End Date") is the third to last business day of the month preceding the month of the Underlying futures contracts Expiration Date. For example, the Comex Copper March 2014 futures have an Expiration Date of March 27, 2014. The last day on which the Copper March 2014 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Copper contracts will be the third to last business day of the preceding month, February. Therefore, the End Date for using Comex Copper March 2014 futures will be February 26, 2014 and the Start Date for the next delivery month, Comex Copper May 2014 futures, will be February 27, 2014.[2]

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[1] NYMEX® is a registered service mark of the New York Mercantile Exchange, Inc. COMEX® is a registered service mark of the Commodity Exchange, Inc. Nadex is not affiliated with the New York Mercantile Exchange, Inc. or the Commodity Exchange, Inc. and neither the New York Mercantile Exchange, the Commodity Exchange, Inc., nor their affiliates, sponsor or endorse Nadex or any of its products in any way.

[2] Weekly contracts listed on a Monday during a week containing an Underlying futures rollover date will be listed using the Underlying futures month scheduled to be used to determine the settlement value on the day the contract expires. For example, the End Date for which Nadex will use the Comex Copper March 2014 Underlying futures to determine the settlement value is February 26, 2014. February 26, 2014 is a Wednesday, however, and any Nadex weekly contracts listed for this roll week and expiring on Friday, February 28, 2014, will be listed using the Comex Copper May 2014 futures as its Underlying, as May is the futures month scheduled to be used to determine the

(c) SOURCE AGENCY – The Source Agency is Nadex.

(d) TYPE – The type of Contract is a Binary Contract.

(e) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the Copper Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY COPPER BINARY CONTRACTS

(1) EXPIRATION TIME – 1:00PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.05.

(3) NUMBER OF STRIKE LEVELS LISTED - Thirteen (13) strike levels will be listed for each Weekly Copper Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract "W" is valued 'at-the-money' in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.005 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract W at an interval of 0.05, and six (6) strike levels will be generated below Binary Contract W at an interval of 0.05 (e.g. W – 0.05; W; W + 0.05). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY COPPER BINARY CONTRACTS

(1) EXPIRATION TIME – 1:00PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be ~~0.02~~0.01.

(3) NUMBER OF STRIKE LEVELS LISTED - Fifteen (15) strike levels will be listed for each Daily Copper Binary Contract Series.

Settlement Value of the Nadex weekly contract on its expiration date. Therefore, the Start Date for the Comex Copper May 2014 futures will be Monday, February 24, 2014 for any Nadex weekly contracts listed on this date.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract "Y" is valued 'at-the-money' in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.01 as reported by the Source Agency. Seven (7) strike levels will be generated above Binary Contract Y at an interval of ~~0.02~~0.01, and seven (7) strike levels will be generated below Binary Contract Y at an interval of ~~0.02~~0.01 (e.g. Y – ~~0.02~~0.01; Y; Y + ~~0.02~~0.01). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY COPPER BINARY CONTRACTS

(1) EXPIRATION TIME – 10:00AM, 11:00AM, 12:00PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be ~~0.075~~0.005.

(3) NUMBER OF STRIKE LEVELS LISTED - ~~Three (3)~~Nine (9) strike levels will be listed for each Intraday Copper Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract "Z" is valued 'at-the-money' in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.001 as reported by the Source Agency. ~~One (1)~~Four (4) strikes level will be generated above Binary Contract Z at an interval of ~~0.075~~0.005, and ~~one (1)~~ Four (4) strikes level will be generated below Binary Contract Z at an interval of ~~0.075~~0.005 (e.g. Z – ~~0.075~~0.005; Z; Z + ~~0.075~~0.005). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) Nadex may list additional Copper Binary Contract with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for the Copper Binary Contracts shall be $0.25.

(h) REPORTING LEVEL – The Reporting Level for the Copper Binary Contracts shall be 1,750 Contracts.

(i) POSITION LIMIT – The Position Limits for the Copper Binary Contract shall be 2,500 Contracts.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Expiration Date.

(k) SETTLEMENT DATE – The Settlement Date will be the date on which the Copper Settlement Price is released by the Source Agency.

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Copper Settlement Price is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on the Settlement Date. The Settlement Value for an in the money Copper Binary Contract is $100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of Copper released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) CPFC trade prices just prior to the close of trading of the Copper Variable Contract and removing the highest five (5) CPFC trade prices and the lowest five (5) CPFC trade prices, using the remaining fifteen (15) CPFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) CPFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) CONTINGENCIES – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series.

RULE 12.4 – 12.10 [UNCHANGED]

RULE 12.11 NATURAL GAS BINARY CONTRACTS

(a) SCOPE –These Rules shall apply to the Class of Contracts referred to as the Natural Gas Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Natural Gas price per mmBtu (millions British thermal units, in US dollars), obtained from the Physical Natural Gas Futures contracts ("NFC") traded on the New York Mercantile Exchange ("NYMEX"®[3]). The NFC trade prices that will be used for the Underlying will be taken from all twelve NFC delivery months: January, February, March, April, May, June, July, August, September, October, November, or December (each an "NFC Delivery Month"). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. "Start Date") is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. "End Date") is the Friday of the week preceding the Underlying futures contracts Expiration Date. If the Underlying futures

[3] *Supra, at fn 4.*

contracts Expiration Date falls on a Monday, the End Date for that specific delivery month will be the Friday of the week preceding the week of the Underlying futures contracts Expiration Date, i.e. not the Friday that is one business day prior to the Monday Expiration Date. For example, the Nymex Natural Gas February 2012 futures have an Expiration Date of January 27, 2012. The last day on which the Natural Gas February 2012 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Natural Gas contracts will be the Friday of the preceding week. Therefore, the End Date for using Nymex Natural Gas February 2012 futures will be January 20, 2012 and the Start Date for the next delivery month, Nymex Natural Gas March 2012 futures, will be January 21, 2012. The Nymex Natural Gas March 2012 futures, however, have an Expiration Date of Monday, February 27, 2012. The last day on which the Natural Gas March 2012 futures prices will be as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Natural Gas contracts will be February 17, 2012, rather than February 24, 2012, and the Start Date for the next delivery month, Nymex Natural Gas April 2012 futures will be February 18, 2012.

(c) SOURCE AGENCY – The Source Agency is Nadex.

(d) TYPE – The Type of Contract is a Binary Contract.

(e) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the Natural Gas Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY NATURAL GAS BINARY CONTRACTS

(1) EXPIRATION TIME – 2:30PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.10.

(3) NUMBER OF STRIKE LEVELS LISTED - Thirteen (13) strike levels will be listed for each Weekly Natural Gas Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract "W" is valued 'at-the-money' in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in either 0.250 or 0.750 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract W at an interval of 0.10, and six (6) strike levels will be generated below Binary Contract W at an

interval of 0.10 (e.g. W – 0.10; W; W + 0.10). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY NATURAL GAS BINARY CONTRACTS

(1) EXPIRATION TIME – 2:30PM ET CLOSE

(1) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be ~~0.04~~0.02.

(2) NUMBER OF STRIKE LEVELS LISTED – Fifteen (15) strike levels will be listed for each Daily Natural Gas Binary Contract Series.

(3) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Y” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.1 as reported by the Source Agency. Seven (7) strike levels will be generated above Binary Contract Y at an interval of ~~0.04~~0.02, and seven (7) strike levels will be generated below Binary Contract Y at an interval of ~~0.04~~0.02 (e.g. Y – ~~0.04~~0.02; Y; Y + ~~0.04~~0.02). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY NATURAL GAS BINARY CONTRACTS

(1) EXPIRATION TIME – 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be ~~0.20~~0.01.

(3) NUMBER OF STRIKE LEVELS LISTED – ~~Three (3)~~Nine (9) strike levels will be listed for each Intraday Natural Gas Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.01 as reported by the Source Agency. ~~One (1)~~Four (4) strike levels will be generated above Binary Contract Z at an interval of ~~0.20~~0.01, and ~~one (1)~~four (4) strike levels will be generated below Binary Contract Z at an interval of ~~0.20~~0.01 (e.g. Z – ~~0.20~~0.01; Z; Z + ~~0.20~~0.01). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) Nadex may list additional Natural Gas Binary Contract with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for Natural Gas Binary Contracts shall be $0.25.

(h) REPORTING LEVEL – The Reporting Level for the Natural Gas Binary Contracts shall be 1,750 contracts.

(i) POSITION LIMIT – The Position Limits for Natural Gas Binary Contracts shall be 2,500 Contracts.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Expiration Date.

(k) SETTLEMENT DATE – The Settlement Date will be the same date as the Expiration Date.

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Natural Gas Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on Settlement Date. The Settlement Value of an in the money Natural Gas Binary Contract is $100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of Natural Gas as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) NFC trade prices just prior to the close of trading of the Natural Gas Binary Contract and removing the highest five (5) NFC trade prices and the lowest five (5) NFC trade prices, using the remaining fifteen (15) NFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) NFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) CONTINGENCIES – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series.

RULE 12.12 – 12.78 [UNCHANGED]

End of Rulebook.

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