



March 20, 2015

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: Rule Certification: Nadex Amends its Holiday Product Schedule Guidelines – 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 Product Schedule Guidelines for Holidays (“Guidelines”) to clarify trading hours for the Thursday prior to a Friday holiday. The Guidelines currently indicate that the Exchange will close at 4:15pm ET on the Thursday prior to a Friday for which the Exchange is closed for holiday. This close time is correct, but Nadex is making an amendment to the Guidelines to specifically state that contracts available for trading on Thursday will close according to their regular *Friday* schedule on that day, as was the original intent of this provision. The amendment to the language is necessary to clarify that the Intraday 5-Minute EUR/USD, GBP/USD, USD/JPY, AUD/USD Binary contracts will *not* close at 4:15pm ET when the Exchange closes, rather they will close at 4:00pm ET as they do on a regular Friday trading day.

#### **DCM Core Principles**

Nadex has identified the following Designated Contract Market (“DCM”) Core Principles as potentially being impacted by the amendments to the Product Schedule Guidelines for Holidays: Core Principle 7 Availability of General Information.

Core Principle 7, implemented by Regulations §38.400 and §38.401, requires the DCM to make available to the public accurate information regarding the contract terms and conditions. The Product Schedule Guidelines

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for Holidays are readily available to the public on the Nadex website and will continue to be available after the amendments. Therefore, the amendments to the Guidelines 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 Principles as potentially being impacted by the amendments to the Product Schedule Guidelines for Holidays: L Public Information.

Core Principle L, implemented by Regulation 39.21, requires the DCO to make available to the public the terms and conditions of each contract. As stated previously, the Guidelines, are available on the Nadex website on the 'Hours and Holidays' page. The Guidelines provide notice to the public of Exchange and product listing hours for holidays. This will continue to be made available to the public after the amendments described herein are made. Therefore, the amendments to the Guidelines 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 changes for the start of business on trade date Tuesday, April 7, 2015.

Amendments to the Product Schedule Guidelines for Holidays are attached hereto in Exhibit A. Any deletions are stricken out while the amendments and/or additions are underlined.

No substantive opposing views were expressed to Nadex with respect to this emergency action.

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) 884-0927 or by email at [Jaime.walsh@nadex.com](mailto:Jaime.walsh@nadex.com).

Sincerely,



Jaime M. Walsh  
Legal Counsel

## **EXHIBIT A**

### **Product Schedule Guidelines for Holidays**

Below are the rules outlining the changes to product listing and/or settlement schedules for Nadex products due to US and foreign public and exchange holidays. In instances of an underlying market closing early, the Exchange will adjust its contracts accordingly to reflect this early close. In any week for which there are three or more holidays in the same underlying market resulting in the closure of that market and/or a holiday observed by Nadex, whether consecutive or not, no weekly contracts for products based on that underlying market will be listed for that week. If there are any product specific exceptions for a certain holiday not outlined below, Nadex will submit those exceptions to the CFTC separately as needed.

1. For US holidays that fall on a Monday, Nadex will observe the following business hours:
  - Monday trade date (holiday): The Exchange will be closed for Monday's trade date (from 6pm Sunday to 5pm ET Monday).
  - Tuesday trade date: The Exchange will observe regular business hours. Unless otherwise specified below, all contracts listed on this date will open and close at their regular times and weekly contracts listed on this date will have a settlement date of Friday of the current week. Exceptions are as follows:
    - All Daily and Weekly Nymex/Comex-based Commodity, FTSE 100, Germany 30, and U.S. Equity Index contracts will open at 3am ET and close at their regular times.
    - All Daily and Weekly Currency contracts will open at 6pm ET and close at their regular times. The Daily Currency 7:00pm ET close time Binary contract which would normally expire at 7:00pm ET on Tuesday's trade date (Monday evening) will not be listed.
    - All Event contracts listed on this date will open at 3am ET and close at their regular times.
  
2. For US holidays that fall on a Friday, Nadex will observe the following business hours:
  - Monday trade date (preceding the holiday): The Exchange will observe regular business hours. All Weekly contracts listed on this date will have a settlement date of Thursday of the current week, or the last available trade day if Thursday is also a holiday for which the Exchange is closed, and will expire at their regular expiration times.
  - Thursday trade date: The Exchange will close at 4:15pm ET on Thursday's trade date. Contracts listed for trading on Thursday's trade date will expire pursuant to their regular Friday schedule. In the event the expiration date for the Nonfarm Payrolls Binary contracts would fall on a Friday that the Exchange is closed, those contracts will not be

~~listed for the duration of that holiday week. No 2-hour Intraday Currency contracts which would normally expire at 5pm ET will be listed on this day. Daily Currency Binary contracts which would normally expire at 7pm ET and 11pm ET will not be listed on Wednesday for Thursday's trade date.~~

- Friday trade date (holiday): The Exchange will be closed for Friday's trade date.
3. For US Thanksgiving holiday on Thursday, Nadex will observe the following business hours:
- Monday trade date (preceding the holiday): The Exchange will observe regular business hours. All Weekly contracts listed on this date will have a settlement date of Friday of the current week, with the exception of any contracts not available for trading on Friday, which will have a settlement date of Wednesday of the current week.
  - Wednesday trade date (preceding the holiday): The Exchange will observe regular business hours. No Daily Currency Binary contracts which would expire on Thursday's trade date will be listed on Wednesday.
  - Thursday trade date (holiday): The Exchange will be closed for Thursday's trade date.
  - Friday trade date: The Exchange will open at 8am ET. Unless otherwise specified below, all contracts listed on this date will open and close at their regular times. Exceptions are as follows:
    - No Japan 225 contracts will be offered on this trade date.
    - All Nymex/Comex-based Commodity, FTSE 100, Germany 30, and U.S. Equity Index contracts will open at 8am ET or their regular open times, and will close according to the close time of the corresponding underlying market.
    - No Daily Currency Binary contracts will be available for trading on Friday, with the exception of the 3pm ET close time contract which will open at 8am ET and close at 3pm ET. Additionally, 2-hr Intraday binary contracts with a 4pm ET expiration time will not be listed on this day. All other Currency contracts will open at 8am ET and close at their regular times.
4. For foreign public and exchange holidays that result in closure of the underlying market on which our products are based, Nadex will observe the following business hours:
- Monday holiday:
    - Monday trade date (holiday): The Exchange will observe regular business hours. No contracts will be offered for Monday's trade date for products based on the underlying market that is closed due to the foreign holiday.
  - Tuesday trade date: The Exchange will observe regular business hours. Unless otherwise specified below, all contracts listed on this date will open and close at their regular times and weekly contracts listed on this date will have a settlement date of Friday of the current week.

- Friday holiday:
  - Monday trade date (preceding the holiday): The Exchange will observe regular business hours. All Weekly contracts listed on this date for products based on the underlying market that is closed due to the foreign holiday will have a settlement date of Thursday of the current week, or the last available trade day if Thursday is also a holiday for which the underlying market is closed.
  - Friday trade date (holiday): The Exchange will observe regular business hours. No contracts will be offered for Friday's trade date for products based on the underlying market that is closed due to the foreign holiday.
  
- Tuesday, Wednesday, or Thursday holiday:
  - Monday trade date (preceding the holiday): The Exchange will observe regular business hours. All contracts listed on this date will open and close at their regular times and weekly contracts listed on this date will have a settlement date of Friday of the current week.
  - Tuesday, Wednesday, or Thursday trade date (holiday): The Exchange will observe regular business hours. No contracts will be offered on this trade date for products based on the underlying market that is closed due to the foreign holiday. Weekly contracts listed for this week will be closed on this trade date.