



March 26, 2020

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 Certification: Nadex Amends Contract Specifications for its Initial Jobless Claims and Nonfarm Payrolls 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 (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”) hereby submits to the Commission its intent to amend its contract specifications for its Initial Jobless Claims and Nonfarm Payrolls Binary contracts to remove the maximum and minimum parameters within which each strike level shall fall. These parameters serve no useful purpose and assume the Initial Jobless Claims and Nonfarm Payrolls figures will remain relatively static within a specific range despite drastic changes in the economy. In volatile market conditions, Nadex needs to maintain flexibility with its strike levels for these event contracts.

DCM Core Principles

Nadex has identified the following Designated Contract Market (“DCM”) Core Principle as potentially being impacted by the amendments discussed herein: Core Principle 7 Availability of General Information.

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Core Principle 7 (Availability of General Information), implemented by Regulation 38.400, requires the DCM make available to the public accurate information concerning the terms and conditions of the contracts of the contract market. Nadex currently makes its Rulebook available to the public on its website and will continue to do so after the amendments discussed herein are implemented. The Rulebook contains the contract specifications for the Initial Jobless Claims and Nonfarm Payrolls Binary contracts, where the number of strikes, the strike width, minimum tick size, and payout value for those contracts can be found. Accordingly, these amendments will not negatively affect Nadex's ability to comply with this Core Principle.

DCO Core Principles

Nadex has not identified any Derivatives Clearing Organization ("DCO") Core Principles as potentially being impacted by the amendments discussed herein.

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. 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(b), Nadex plans to implement these Rule changes for the start of business on trade date April 10, 2020.

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
12.72	Initial Jobless Claims Binary Contract	N/A	Remove max and min parameters	4/10/2020
12.73	Nonfarm Payrolls Binary Contract	N/A	Remove max and min parameters	4/10/2020

EXHIBIT B

Amendment of Rules 12.72, 12.73

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

RULES 1.1 – 12.71 [UNCHANGED]

RULE 12.72 INITIAL JOBLESS CLAIMS BINARY CONTRACTS

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

(b) UNDERLYING – The Underlying for this Class of Contracts is the number of claims submitted for unemployment insurance benefits (seasonally adjusted and hereinafter referred to as “Initial Jobless Claims” or “Initial Claims”) last reported by the U.S. Department of Labor, Employment and Training Administration (“ETA”) Division.

(c) SOURCE AGENCY – The Source Agency is the U.S. Department of Labor.

(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 at least two business days prior to the next 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 Initial Jobless Claims Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY INITIAL JOBLESS CLAIMS BINARY CONTRACTS

(1) At the commencement of trading in a Jobless Claims Binary Contract, Nadex shall list all eligible Payout Criteria in a range of five (5) consecutive increments between 2,000 and 30,000, as determined by Nadex, with ~~the maximum value of the Payout Criteria not to exceed 1,000,000 and the minimum value of the Payout Criteria not to fall below zero (0), and the~~ contract payout eriteria of greater than or equal to (\geq). For example, Nadex may list the following range of Payout Criteria (using a 10,000 increment): 607,000, 617,000, 627,000, 637,000, and 647,000. The following week, Nadex may list the following range of Payout Criteria (using a 5,000 increment): 610,000, 615,000, 620,000, 625,000, and 630,000.

(2) In each case above, “X” equals the first Payout Criteria listed. In the first example above, this is 607,000; in the second example above, this is 610,000.

(ii) Nadex may list additional Initial Jobless Claims 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 Initial Jobless Claims Binary Contracts shall be \$0.25.

(h) **POSITION LIMIT** – There are currently no Position Limits for the Initial Jobless Claims Binary Contract.

(i) **LAST TRADING DATE** – The Last Trading Date in a Series is the same day as the Expiration Date. The Initial Claims Contracts will stop trading on the Last Trading Date at 8:25 AM ET.

(j) **SETTLEMENT DATE** – The Settlement Date of the Contract shall be the same date that the Initial Jobless Claims number is released by the Source Agency.

(k) **EXPIRATION DATE** – The Expiration Date of the Contract shall be the date on which the Initial Jobless Claims number is scheduled to be released by the Source Agency.

(l) **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 Initial Jobless Claims Binary Contract is \$100.

(m) **EXPIRATION VALUE** – The Expiration Value is the Initial Jobless Claims number released by the Source Agency on the Expiration Date. The Expiration Value is released by the Source Agency at 8:30 AM ET on the Expiration Date.

(n) **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 12.73 NONFARM PAYROLLS BINARY CONTRACTS

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

(b) **UNDERLYING** – The Underlying for this Class of Contracts is the seasonally adjusted monthly change in the Nonfarm Payrolls release last reported by the Source Agency.

(c) **SOURCE AGENCY** – The Source Agency is the United States Department of Labor, Bureau of Labor Statistics.

(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 at least three business days prior to the next 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 Nonfarm Payrolls Binary Contract, the Payout Criteria for the Contracts will be set as follows:

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(i) MONTHLY NONFARM PAYROLLS BINARY CONTRACTS

(1) At the commencement of trading in a Nonfarm Payrolls Binary Contract, Nadex shall list all eligible Payout Criteria in a range of five (5) consecutive increments between 15,000 and 150,000, as determined by Nadex, with ~~the maximum value of the Payout Criteria not to exceed 1,000,000 and the minimum value of the Payout Criteria not to fall below -1,000,000, and the contract pPayout eCriteria~~ of greater than or equal to (\geq). For example, Nadex may list the following range of Payout Criteria (using the 75,000 increment): -748,000, -673,000, -598,000, -523,000, and -448,000. For the next issuance, Nadex may list the following range of Payout Criteria (using a 50,000 increment): 200,000, 250,000, 300,000, 350,000, and 400,000.

(2) In each case above, "X" equals the first Payout Criteria listed. In the first example above, this is -748,000; in the second example above, this is 200,000.

(ii) Nadex may list additional Nonfarm Payrolls 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 Nonfarm Payrolls Binary Contracts shall be \$0.25.

(h) POSITION LIMIT – There are currently no Position Limits for the \$100 Nonfarm Payrolls Binary Contract.

(i) LAST TRADING DATE – The Last Trading Date in a Series is the same day as the Expiration Date. The Nonfarm Payrolls Contracts will stop trading on the Last Trading Date at 8:25 AM ET.

(j) SETTLEMENT DATE – The Settlement Date will be the date the Nonfarm Payrolls number is released by the Source Agency.

(k) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Nonfarm Payrolls number is scheduled to be released.

(l) 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 Nonfarm Payrolls Binary Contract is \$100.

(m) EXPIRATION VALUE – The Expiration Value is the level of the Nonfarm Payrolls release number on the Expiration Date. The Expiration Value is released by the Source Agency at 8:30 AM ET on the Expiration Date.

(n) 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.

End of Rulebook.

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