



January 24, 2014

Via E-Mail: submissions@cftc.gov

Ms. Melissa Jurgens,
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 Adds 2-Hour Intraday Japan 225 Binary Contracts, Removes Unnecessary Language in its Rule 5.18, and Amends its Holiday Product Schedule Guidelines – Submission pursuant to Commission Regulation §40.6(a)

Dear Ms. Jurgens,

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 add five new 2-hour Intraday Binary contracts to its current listing of Japan 225 contracts, which would expire each hour from 9:00pm ET through 1:00am ET. Nadex is also submitting to the Commission its intent to remove unnecessary language from its Rule 5.18, and to amend its Holiday Product Schedule Guidelines to clarify trading hours following a Monday holiday.

Nadex currently offers Japan 225 Daily and Weekly Binary contracts, as well as Daily Variable Payout contracts, based on the underlying SGX[®] Nikkei 225 Index Futures market. The Japan 225 Daily Binary and Variable Payout contracts are offered each trade day Monday through Friday at 6:45pm ET and expire at 1:25am ET*. Weekly contracts are listed on trade day Monday at 6:45pm ET and expire on Friday of that trade week at 1:25am ET*. Although Nadex lists 2-hour Intraday Binary Options in most of its markets, no Intraday contracts are currently offered for the Japan 225. As a result, Members have had limited trading opportunities for this product.

*During the period when the US observes daylight savings time, all Japan 225 contracts open and close 1 hour later than their regular defined times.

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In November 2013, Nadex added 14 new 2-hour Intraday Binary contracts in its EUR/USD and USD/JPY currencies with expirations each hour from 8:00PM through 9:00AM ET to its already existing listings in these currencies that had previously been available for overnight trading, including its 11:00PM ET and 3:00AM ET expiration Daily Binaries, Weekly Binaries, and Intraday, Daily and Weekly Variable Payout contracts. Market participants reacted to this expanded offering with a substantial increase in average daily volume for all EUR/USD and USD/JPY contracts available for trading from 9:00PM ET to 2:00AM ET. Nadex anticipates that market participant demand for additional Japan 225 2-hour Intraday Binary contracts during those same overnight hours will be reflected in similar volume increases.

Additionally, Nadex is amending its Rule 5.18 (Hours for Trading Contracts), to remove the specific listing hours for its Corn, Soybeans, and Japan contracts. Nadex Rule 5.18 states the times the Exchange will be open for its regular trading session during the week. This Rule also specifically lists trading hours for the Corn, Soybean, and Japan 225 Binary and Variable Payout contracts because these products have a shorter trading availability than the majority of Nadex products, due to the listing hours for the underlying markets upon which these contracts are based. Specific close times for all of these contracts are already set forth in the contract specifications located in Rules 12.12-12.15, and 12.54-12.55. Specific open and close times for these contracts are also available on the Nadex website under each product's 'Contract Specs', thereby making the hours set forth in Rule 5.18 redundant and unnecessary.

Finally, Nadex is amending Holiday Product Schedule Guidelines to clarify its contract schedule following a U.S. holiday that falls on a Monday. In April 2013, Nadex added additional Daily Currency Binary contracts with staggered expirations times at 11:00pm ET, 3:00am ET, 7:00am ET, 11:00am ET, 3:00pm ET, and 7:00pm ET. When the Exchange is closed on a Monday due to US holiday, the Exchange reopens at 6:00pm ET for trade date Tuesday. During normal hours, a Daily Currency Binary contract would be listed at 8:00pm ET on Sunday evening (Monday's trade date), which would expire at 7:00pm ET on Monday evening (Tuesday's trade date). If the Exchange is closed for a Monday holiday, the earliest this contract could be listed is 6:00pm ET on Tuesday's trade date when the Exchange reopens, however, the contract would only be available for trading for one hour until its expiration at 7:00pm ET. As Nadex does not feel the one hour trading availability for this contract is sufficient to constitute a Daily contract, Nadex will not list this contract when a US holiday falls on a Monday, but will resume its regular listing schedule beginning Tuesday evening (Wednesday's trade date).

2-Hour Intraday Japan 225 Binary Contracts Core Principle Compliance

Nadex has identified the following Designated Contract Market ("DCM") Core Principles as potentially being impacted by the addition of 2-hour intraday binary contracts in the Nadex Japan 225 Binary contracts: Core Principle 2, Subparts 38.156 Automated trade surveillance system and 38.157 Real-time market monitoring; Core Principle 3 Contracts not readily subject to manipulation; Core Principle 4 Subparts 38.250 and 38.251 Prevention of market disruption general requirements; Core

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Principle 7 Availability of general information; and Core Principle 8 Daily Publication of trading information.

Core Principle 2, Subparts 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 real-time and as with all contracts, day or night, the system will continue to monitor the new 2-hour Intraday Japan 225 Binary contracts. Additionally, Nadex employs an overnight staff who continuously monitors trading activity, and has access to technical support from its parent offices in the United Kingdom and Australia. Therefore, the listing of 2-hour Intraday Japan 225 Binary contracts will not negatively impact Nadex's ability to comply with these Core Principles.

Core Principles 3 and 4 require the DCM to only list contracts that are not readily susceptible to manipulation and to prevent market disruption. The 2-hour Intraday Japan 225 Binary contracts would be based on the SGX[®] Nikkei 225 Index Futures, which is also the underlying upon which the current Daily and Weekly Japan 225 contracts are based. The underlying market is liquid and traded in real-time, thereby eliminating the possibility of an early release of an underlying trade price. Additionally, the Expiration Value calculation method of removing the top 5 and lowest 5 underlying trade prices from the last 25 trades prior to expiration and averaging the remaining 15 further mitigates the possibility of manipulation. 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 these Core Principles will not be negatively impacted.

Core Principles 7 and 8 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 for the 2-hour Intraday Japan 225 Binary contracts will be set forth in the Rulebook and linked on the Nadex website. Daily settlement prices, volume, open interest, and opening and closing ranges for the new contracts will be included on the Daily Bulletin and posted on the Nadex website. Therefore, the listing of the 2-hour Intraday Japan 225 Binary contracts will not negatively impact Nadex's ability to comply with these Core Principles.

Nadex has identified the following Derivatives Clearing Organization ("DCO") Core Principles as potentially being impacted by the addition of the 2-hour Intraday Japan 225 Binary Contracts: 39.12 Participant and Product Eligibility; and 39.21 Public Information.

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Core Principle 39.12 requires the DCO to determine the eligibility of contracts for clearing. The underlying market upon which the 2-hour Intraday Japan 225 Binary Contracts will be based, the SGX[®] Nikkei 225 Index Futures, is deep and liquid, and currently serves as the underlying market for Nadex's Daily and Weekly Japan 225 contracts. The addition of the contracts will not negatively affect liquidity as Nadex has designated a market maker, Market Risk Management, who is obligated to provide a market for these contracts. Nadex therefore believes these contracts are appropriate and eligible for clearing. Finally, all trading in these products, like all Nadex products, will be conducted on a fully-collateralized basis, thereby mitigating any credit risk of a particular member to Nadex or other market participant.

Core Principle 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 is made available to the public on the Nadex website. Settlement values for the Intraday Japan 225 Binary contracts will be listed on the Nadex website on the 'Results Page', as well as the Daily Bulletin which also shows volume and open interest. The addition of these Intraday contracts will not negatively impact Nadex's ability to comply with this Core Principle.

Amendment of Product Listing Hours in Rule 5.18 and Clarification of the Holiday Product Schedule Guidelines

Nadex has identified the following Designated Contract Market ("DCM") Core Principles as potentially being impacted by the Rulebook amendment to remove specific listing hours for the Nadex Corn, Soybeans, and Japan contracts and the clarification of the Holiday Product Schedule Guidelines: Core Principle 7 Availability of General Information.

Core Principle 7 requires the DCM to make available to the public accurate information regarding the contract terms and conditions. As described above, close times for Nadex's Corn, Soybeans, and Japan contracts are set forth in Rules 12.12-12.15, and 12.54-12.55, and specific listing hours for these contracts are available on the Nadex website, making the language in Rule 5.18 unnecessary. The Holiday Product Schedule Guidelines are also readily available to the public on the Nadex website. Therefore, the amendments to Rule 5.18 and the Holiday Product Schedule Guidelines will not negatively impact Nadex's ability to comply with this Core Principle.

Nadex has identified the following Derivatives Clearing Organization ("DCO") Core Principles as potentially being impacted by the amendment of Rule 5.18 and the Holiday Product Schedule Guidelines: 39.21 Public Information.

Principle 39.21 requires the DCO to make available to the public the terms and conditions of each contract. As stated previously, the contract specifications in Rule 12.12-12.15 and 12.54-12.55 state the close times for the Corn, Soybean, and Japan contracts, and is available on the Nadex website on its 'Rules' page. Specific open and close times are also available for each contract on the Nadex website. The Holiday Product Schedule Guidelines are also available on the Nadex website on its

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'Hours and Holidays' page. The amendments of Rule 5.18 and the Holiday Product Schedule Guidelines will therefore 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 Monday, February 10, 2014.

These Rule changes have been outlined in Exhibit A. The amendments to the Rulebook are set forth in Exhibit B. The Holiday Product Schedule Guidelines are attached hereto in Exhibit C. 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) 884-0171 or by email at tim.mcdermott@nadex.com.

Sincerely,



Timothy G. McDermott
General Counsel and Chief Regulatory Officer

cc: DMOSubmission@cftc.gov
Tom Leahy – CFTC
Riva Adriance – CFTC
Nancy Markowitz – CFTC
Eileen Donovan - CFTC

John Austin - Nadex

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EXHIBIT A

Rule	Asset	Duration/ Close Time	Action	Effective Date
5.18	Hours for trading Contracts	N/A	Remove language regarding specific Corn, Soybeans, and Japan listing hours.	2/10/2014
12.55	Japan 225 Binary Contracts	Intraday: 9pm, 10pm, 11pm, 12am, 1am ET close times	Add 2-hours intraday binary contracts.	2/10/2014

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EXHIBIT B

Amendment of 5.18 and 12.55

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

RULES 1.1 – 5.17 [Unchanged]

RULE 5.18 HOURS FOR TRADING CONTRACTS

The Market will be open for execution of your orders during specified hours in a regular trading session from 6:00 p.m. (T-1) to 5:00 p.m. Eastern Time Sunday through Thursday, and during a regular trading session from 6:00 p.m. (T-1) to 4:15 p.m. Eastern Time on Friday. Specific listing hours for each contract are available on the Nadex website., ~~with the following exceptions:~~

~~———— a) Corn and Soybean Binary and Variable Payout Spread Contracts will be available for trading between the hours of 10:30 a.m. and 3:00 p.m. Eastern Time Monday through Friday.~~

~~———— b) Japan 225 Binary and Variable Payout Contracts will be available for trading between the hours of 6:45 p.m. and 1:25 a.m. Eastern Time¹ Sunday through Friday.~~

Please note that Nadex trading hours, including the trading hours and trading hours for individual contracts, are subject to change due to holiday, availability of underlying products, emergency, or other event necessitating a halting or closure of trading. Any changes to Nadex trading hours due to a US or foreign holiday will follow the Product Schedule Guidelines for Holidays posted on the Nadex website. Any other changes in trading hours or product availability will be posted on the Nadex website.

Members may access account information when the Market is closed. Members may enter new orders and/or cancel or modify open orders whenever those markets are available for trading.

RULES 5.19 - 12.54 [UNCHANGED]

RULE 12.55 JAPAN 225 BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Japan 225 Binary Contracts issued by Nadex.

¹ During the period when the US observes daylight savings time, all Japan 225 contracts will open and close 1 hour later than their regular defined times.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price of the SGX[®] Nikkei 225 Futures contracts (“NKFC”) traded on the Singapore Exchange (SGX)². The NKFC trade prices that will be used to calculate the Underlying will be taken from four (4) NKFC delivery months: March, June, September, or December (each a “NKFC 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. For example, the SGX Nikkei 225 March 2012 futures have an Expiration Date of March 9, 2012. The last day on which the Nikkei 225 March 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 Nikkei 225 contracts will be the Friday of the preceding week. Therefore, the End Date for using SGX Nikkei 225 March 2012 futures will be March 2, 2012 and the Start Date for the next delivery month, SGX Nikkei 225 June 2012 futures, will be March 3, 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 Japan 225 Binary Contract, the Payout Criteria for the Contracts will be set as follows:

² SGX[®] is a registered service mark of the Singapore Exchange Limited (“SGX”). Nikkei is a registered mark of Nikkei, Inc. All rights in the Trademarks and Futures Trading Data of SGX vest in Singapore Exchange Limited (“SGX”). The Japan 225 Binary Contract is not sponsored, endorsed, sold or promoted by SGX. SGX makes no representation or warranty, express or implied to the investors in the Japan 225 Binary Contract or any member of the public in any manner whatsoever regarding the advisability of investing in any financial product generally or in particularly the Japan 225 Binary Contract. The relationship of SGX towards Nadex is in respect of licensing the use of the SGX Nikkei 225 Index Futures Trading Data. SGX has no obligation to take the needs of the investors of the Japan 225 Binary Contract into consideration in determining, composing or calculating the SGX Nikkei 225 Index Futures Trading Data. SGX is neither responsible for nor has participated in the structure of the Japan 225 Binary Contract. SGX has no obligation or liability in connection with the administration, marketing or trading of the Japan 225 Binary Contract. You are strongly advised to independently verify the accuracy, timeliness and reliability of the Japan 225 Binary Contract and to consult with your investment advisor before investing. Nadex is not affiliated with Nikkei, Inc. and neither Nikkei, Inc., nor its affiliates, sponsor or endorse Nadex or its products in any way. In particular, the Nadex Japan 225 Contracts are not sponsored, endorsed, sold or promoted by Nikkei, Inc.

(i) DAILY JAPAN 225 BINARY CONTRACTS, 1:25 AM ET³ CLOSE

- (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 280$.
- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 240$.
- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 200$.
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $X - 160$.
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X - 120$.
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X - 80$.
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X - 40$.
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than X .
- (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $X + 40$.
- (10) Binary Contract 10: One Contract will have a Payout Criterion of greater than $X + 80$.
- (11) Binary Contract 11: One Contract will have a Payout Criterion of greater than $X + 120$.
- (12) Binary Contract 12: One Contract will have a Payout Criterion of greater than $X + 160$.
- (13) Binary Contract 13: One Contract will have a Payout Criterion of greater than $X + 200$.
- (14) Binary Contract 14: One Contract will have a Payout Criterion of greater than $X + 240$.
- (15) Binary Contract 15: One Contract will have a Payout Criterion of greater than $X + 280$.
- (16) In each case above, "X" equals the Japan 225 reference price, as calculated by the Source Agency, rounded to the nearest ten (10).

(ii) WEEKLY JAPAN 225 BINARY CONTRACTS, 1:25 AM ET⁴ CLOSE

³ During the period when the US observes daylight savings time, all Binary Japan 225 contracts will open and close 1 hour later than their regular defined times.

- (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Y - 600$.
- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Y - 500$.
- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Y - 400$.
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $Y - 300$.
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $Y - 200$.
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $Y - 100$.
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Y .
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than $Y + 100$.
- (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $Y + 200$.
- (10) Binary Contract 10: One Contract will have a Payout Criterion of greater than $Y + 300$.
- (11) Binary Contract 11: One Contract will have a Payout Criterion of greater than $Y + 400$.
- (12) Binary Contract 12: One Contract will have a Payout Criterion of greater than $Y + 500$.
- (13) Binary Contract 13: One Contract will have a Payout Criterion of greater than $Y + 600$.
- (14) In each case above, “Y” equals the Japan 225 reference price, as calculated by the Source Agency, rounded to the nearest value ending in either twenty-five (25) or seventy-five (75).

(iii) INTRADAY JAPAN 225 BINARY CONTRACTS 7:00PM ET to 9:00PM ET⁵ CLOSE

- (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z1 - 160$.
- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z1 - 120$.

⁴ During the period when the US observes daylight savings time, all Binary Japan 225 contracts will open and close 1 hour later than their regular defined times.

⁵ During the period when the US observes daylight savings time, all Binary Japan 225 contracts will open and close 1 hour later than their regular defined times.

- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z1 - 80$.
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $Z1 - 40$.
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $Z1$.
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $Z1 + 40$.
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $Z1 + 80$.
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than $Z1 +$
120.
- (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $Z1 +$
160.

(10) In each case above, “Z1” equals the Japan 225 reference price, as calculated by the Source Agency, rounded to the nearest ten (10).

(iv) INTRADAY JAPAN 225 BINARY CONTRACTS 8:00PM ET to 10:00PM

ET⁶ CLOSE

- (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z2 - 160$.
- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z2 - 120$.
- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z2 - 80$.
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $Z2 - 40$.
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $Z2$.
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $Z2 + 40$.
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $Z2 + 80$.
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than $Z2 +$
120.
- (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $Z2 +$
160.

⁶ During the period when the US observes daylight savings time, all Binary Japan 225 contracts will open and close 1 hour later than their regular defined times.

(10) In each case above, “Z2” equals the Japan 225 reference price, as calculated by the Source Agency, rounded to the nearest ten (10).

(v) INTRADAY JAPAN 225 BINARY CONTRACTS 9:00PM ET to 11:00PM ET⁷ CLOSE

- (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z3 - 160$.
- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z3 - 120$.
- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z3 - 80$.
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $Z3 - 40$.
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $Z3$.
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $Z3 + 40$.
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $Z3 + 80$.
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than $Z3 + 120$.
- (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $Z3 + 160$.

(10) In each case above, “Z3” equals the Japan 225 reference price, as calculated by the Source Agency, rounded to the nearest ten (10).

(vi) INTRADAY JAPAN 225 BINARY CONTRACTS 10:00PM ET to 12:00AM ET⁸ CLOSE

- (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z4 - 160$.
- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z4 - 120$.
- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z4 - 80$.
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $Z4 - 40$.

⁷ During the period when the US observes daylight savings time, all Binary Japan 225 contracts will open and close 1 hour later than their regular defined times.

⁸ During the period when the US observes daylight savings time, all Binary Japan 225 contracts will open and close 1 hour later than their regular defined times.

- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Z4.
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z4 + 40.
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z4 + 80.
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z4 +

120.

- (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z4 +

160.

(10) In each case above, “Z4” equals the Japan 225 reference price, as calculated by the Source Agency, rounded to the nearest ten (10).

(vii) INTRADAY JAPAN 225 BINARY CONTRACTS 11:00PM ET to 1:00AM
ET⁹ CLOSE

- (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z5 – 160.
- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z5 - 120.
- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z5 - 80.
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z5 – 40.
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Z5.
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z5 + 40.
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z5 + 80.
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z5 +

120.

- (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z5 +

160.

(10) In each case above, “Z5” equals the Japan 225 reference price, as calculated by the Source Agency, rounded to the nearest ten (10).

⁹ During the period when the US observes daylight savings time, all Binary Japan 225 contracts will open and close 1 hour later than their regular defined times.

~~(iii)~~(viii) Nadex may list additional Japan 225 Binary Contracts 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 Japan 225 Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL – The Reporting Level for the Japan 225 Binary Contracts shall be 1,750 Contracts.

(i) POSITION LIMIT – The Position Limits for the Japan 225 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 in a Series is the same date as the Expiration Date.

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Japan 225 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 the Settlement Date. The Settlement Value of an in-the-money Japan 225 Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of Japan 225 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) NKFC trade prices just prior to the close of trading of the Japan 225 Binary Contract and removing the highest five (5) NKFC trade prices and the lowest five (5) NKFC trade prices, using the remaining fifteen (15) NKFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) remaining NKFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) CONTINGENCIES – If no daily settlement price of the relevant NKFC is announced by the Source Agency, the Settlement Date will be delayed until such daily settlement price for that Series is released and publicly available.

RULE 12.56 – 12.78 [Unchanged]

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EXHIBIT C

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. ~~The Daily 7pm ET close time Binary contract will open and close at its regular time.~~
 - 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. 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.

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- Friday trade date (holiday): The Exchange will be closed for Friday's trade date (from 6pm Thursday to 4:15pm ET Friday).
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): No Daily Currency Binary contracts which would expire at 7pm ET, 11pm ET, 3am ET, 7am ET, 11am ET, or 3pm ET will be listed on Wednesday.
 - Thursday trade date (holiday): The Exchange will be closed for Thursday's trade date (from 6pm Wednesday to 5pm ET Thursday).
 - 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 Daily and Weekly Nymex/Comex-based Commodity, FTSE 100, Germany 30, and U.S. Equity Index contracts will open at 8am ET and close at their regular times. All Weekly Currency and Daily Currency Variable Payout Contracts will open at 8am and close at their regular times.
 - 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.
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. Exceptions are as follows:
 - All Daily and Weekly FTSE 100 and Germany 30 contracts will open at 3am ET and close at their regular times.
 - Friday holiday:

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- 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.

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