



Timothy G. McDermott
+1 (312) 884-0171
tim.mcdermott@nadex.com

June 15, 2012

Via E-Mail: submissions@cftc.gov

Mr. David Stawick
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 Delisting of Product: Nadex Submits its Intent to Delist its Korea 200 Contracts – Submission Pursuant to Commission Regulation §40.6(a)

Dear Mr. Stawick:

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 delist its Korea 200 Variable Payout and Binary contracts as of trade date Monday, June 18, 2012.

As of the time of this submission, no open positions exist in the Korea 200 contracts, as the final contracts expired at 2:05am ET on trade date Friday, June 15, 2012. The delisting of a contract with zero open interest does not impact the Exchange’s compliance with the Core Principles.

Rule changes have been outlined in Exhibit A, and Rule amendments are attached hereto in Exhibit B. Rule amendments have been underlined and deletions have been stricken out.

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

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Nadex hereby certifies that the revisions contained herein comply with the Act, as amended, and the Commission Regulations adopted thereunder.

Nadex hereby certifies that a copy of this delisting 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

Jon Hultquist – CFTC (Acting Branch Chief, DMO, Chicago)

Tom Leahy – CFTC

Riva Adriance – CFTC

Nancy Markowitz – CFTC

Yossi Beinart - Nadex

EXHIBIT A

Rule	Asset	Duration/ Close Time	Action	Effective Date
12.56	Korea 200 Variable Payout Contracts	Daily Contracts; 1:05am ET Close Time (2:05am ET during daylight savings time)	Delist Korea 200 Variable Payout Contracts.	06/18/2012
12.57	Korea 200 Binary Contracts	Daily and Weekly Contracts; 1:05am ET Close Time (2:05am ET during daylight savings time)	Delist Korea 200 Binary Contracts.	06/18/2012

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EXHIBIT B

Delisting of Rules 12.56-12.57

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

RULES 1.1 – 12.55 [Unchanged]

RULE 12.56 [RESERVED] ~~RULE 12.56 KOREA 200 VARIABLE PAYOUT CONTRACTS~~

~~(a) SCOPE—These Rules shall apply to the Class of Contracts referred to as the Korea 200 Variable Payout Contracts issued by Nadex.~~

~~(b) UNDERLYING—The Underlying for this Class of Contracts is the price (in Korean Wan Currency) of the Kospi[®] 200 Index Futures contracts (“KFC”) traded on the Korea Exchange[®].[†] The KFC trade prices that will be used for the Underlying will be taken from four (4) KFC delivery months: March, June, September, or December (each a “KFC 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 Korea Exchange Kospi 200 March 2012 futures have an Expiration Date of March 9, 2012. The last day on which the Kospi 200 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 Kospi 200 contracts will be the Friday of the preceding week. Therefore, the End Date for using Korea Exchange Kospi 200 March 2012 futures will be March 2, 2012 and the Start Date for the next delivery month, Korea Exchange Kospi 200 June 2012 futures, will be March 3, 2012.~~

~~(c) SOURCE AGENCY—The Source Agency is Nadex.~~

~~(d) TYPE—The Type of Contract is a Variable Payout 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 Variable Payout Contracts are initially issued. For the Korea 200 Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows:~~

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~~(i) DAILY VARIABLE KOREA 200 CONTRACTS, 1:05 AM ET²
CLOSE SPREAD—At the commencement of trading in a Daily Spread Korea 200 Variable Payout Contract, Nadex shall list one (1) Variable Payout Contract, referred to as a ‘Spread’, which conforms to the Payout Criteria listed below:~~

~~(1) DAILY VARIABLE PAYOUT CONTRACT ‘SPREAD’~~

~~—————(aa) CAP—The Cap shall be $X + 5$.~~

~~—————(bb) FLOOR—The Floor shall be $X - 5$.~~

~~(cc) DOLLAR MULTIPLIER—The Dollar Multiplier shall be 100.~~

~~(2) In each case, “X” equals the last KFC trade price, as reported by the Source Agency, rounded to the nearest 5.~~

~~(ii) DAILY VARIABLE KOREA 200 CONTRACTS, 1:05 AM ET³
CLOSE NARROW SPREAD—At the commencement of trading in a Daily Narrow Spread Korea 200 Variable Payout Contract, Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, referred to as ‘Narrow Spreads’, which conform to the Payout Criteria listed below:~~

~~(1) DAILY VARIABLE PAYOUT CONTRACTS ‘NARROW SPREAD’~~

~~—————(aa) CONTRACT 1: The Cap shall be X ; The Floor shall be $X - 5$.~~

~~—————(bb) CONTRACT 2: The Cap shall be $X + 2.50$; The Floor shall be $X - 2.50$.~~

~~(cc) CONTRACT 3: The Cap shall be $X + 5$; The Floor shall be X .~~

~~—————(dd) DOLLAR MULTIPLIER—The Dollar Multiplier shall be 100.~~

~~—————(2) In each case, “X” equals the last KFC trade price, as reported by the Source Agency, rounded to the nearest 5.~~

~~—————(iii) Nadex may list additional Variable Payout 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 Korea 200 Variable Payout Contracts shall be 0.01.~~

~~(h) REPORTING LEVEL—The Reporting Level for the Korea 200 Variable Payout Contracts shall be 1,250 Contracts.~~

²~~—During the period when the US observes daylight savings time, all Variable Payout Korea 200 contracts will open and close 1 hour later than their regular defined times.~~

³~~—During the period when the US observes daylight savings time, all Binary Korea 200 contracts will open and close 1 hour later than their regular defined times.~~

~~(i) POSITION LIMIT—The Position Limits for Korea 200 Variable Payout Contracts shall be 25,000 Contracts.~~

~~(j) LAST TRADING DATE—The Last Trading Date of the Contract is the same date as the Settlement Date.~~

~~(k) SETTLEMENT DATE—The Settlement Date of the Contract shall be the same date as the Expiration Date.~~

~~(l) EXPIRATION DATE—The Expiration Date of the Contract shall be the date on which the Korea 200 Expiration Value is released by the Source Agency.~~

~~(m) SETTLEMENT VALUE—The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.~~

~~(n) EXPIRATION VALUE—The Expiration Value is the price or value of Korea 200 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) KFC trade prices just prior to the close of trading of the Korea 200 Variable Contract and removing the highest five (5) KFC trade prices and the lowest five (5) KFC trade prices, using the remaining fifteen (15) KFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) KFC 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 12.57 [RESERVED] RULE 12.57 NADEX KOREA 200 BINARY CONTRACTS

~~(a) SCOPE—These Rules shall apply to the Class of Contracts referred to as the Korea 200 Binary Contract issued by Nadex.~~

~~(b) UNDERLYING—The Underlying for this Class of Binary Contracts is the price (in Korean Wan Currency) of the Kospi[®] 200 Index Futures contracts (“KFC”) traded on the Korea Exchange^{®4}. The KFC trade prices that will be used for the Underlying will be taken from four (4) KFC delivery months: March, June, September, or December (each a “KFC 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~~

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~~contracts Expiration Date. For example, the Korea Exchange Kospi 200 March 2012 futures have an Expiration Date of March 9, 2012. The last day on which the Kospi 200 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 Kospi 200 contracts will be the Friday of the preceding week. Therefore, the End Date for using Korea Exchange Kospi 200 March 2012 futures will be March 2, 2012 and the Start Date for the next delivery month, Korea Exchange Kospi 200 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 Korea 200 Binary Contract, the Payout Criteria for the Contracts will be set as follows:~~

~~(i) DAILY KOREA 200 BINARY CONTRACTS, 1:05 AM (ET)⁵ CLOSE~~

~~(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than X
-3.5.~~

~~(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than X
-3.~~

~~(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than X
-2.50.~~

~~(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than X
-2.~~

~~(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than X
-1.50.~~

~~(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than X
-1.~~

~~(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than X
-0.50.~~

⁵ ~~During the period when the US observes daylight savings time, all Korea 200 contracts will open and close 1 hour later than their regular defined times.~~

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- ~~(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 + 0.50.~~
- ~~(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than X + 1.~~
- ~~(11) Binary Contract 11: One Contract will have a Payout Criterion of greater than X + 1.5.~~
- ~~(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than X + 2.~~
- ~~(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than X + 2.50.~~
- ~~(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than X + 3.~~
- ~~(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than X + 3.5.~~

~~(16) In each case above, "X" equals the Korea 200 reference price, as calculated by the Source Agency, rounded to the nearest 0.50.~~

~~(ii) WEEKLY KOREA 200 BINARY CONTRACTS, 1:05 AM (ET)⁶
CLOSE~~

- ~~(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Y - 9.~~
- ~~(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Y - 7.5.~~
- ~~(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Y - 6.0.~~
- ~~(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Y - 4.5.~~
- ~~(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Y - 3.0.~~

⁶ ~~During the period when the US observes daylight savings time, all Binary Korea 200 contracts will open and close 1 hour later than their regular defined times.~~

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~~(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Y
-1.5.~~

~~(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
+1.5.~~

~~(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Y
+3.0.~~

~~(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than
Y + 4.5.~~

~~(11) Binary Contract 11: One Contract will have a Payout Criterion of greater than
Y + 6.0.~~

~~(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than
Y + 7.5.~~

~~(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than
Y + 9.0.~~

~~(14) In each case above, "Y" equals the Korea 200 reference price, as calculated by the Source Agency, rounded to the nearest value ending in either 0.25 or 0.75.~~

~~(iii) Nadex may list additional Korea 200 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 Korea 200 Binary Contracts shall be \$0.25.~~

~~(h) REPORTING LEVEL—The Reporting Level for the Korea 200 Binary Contracts shall be 1,750 Contracts.~~

~~(i) POSITION LIMIT—The Position Limits for the Korea 200 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 for which the relevant KFC daily settlement price is released by the Source Agency.~~

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~~(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 Korea 200 Binary Contract is \$100.~~

~~(n) EXPIRATION VALUE—The Expiration Value is the level of the Korea 200 release number on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) KFC trade prices just prior to the close of trading of the Korea 200 Binary Contract and removing the highest five (5) KFC trade prices and the lowest five (5) KFC trade prices, using the remaining fifteen (15) KFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) remaining KFC trade prices, rounded to one decimal point past the precision of the underlying market.~~

~~(o) CONTINGENCIES—If no daily settlement price of the relevant KFC 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.~~

RULES 12.58 – 12.78 [UNCHANGED]

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