NODAL EXCHANGE

8065 Leesburg Pike, 3rd Floor
Vienna, VA 22182
Phone (703) 962 9800
Fax (703) 962 9850
www.nodalexchange.com

December 24, 2013

VIA EMAIL (submissions@cftc.gov)

Commodity Futures Trading Commission
Attention: Melissa Jurgens, Secretary
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: CFTC Regulation 40.6(a) Certification: Submission of Amendment to Rule 6.5.7 of the Nodal Exchange Rulebook

Dear Ms. Jurgens:

Nodal Exchange, LLC ("Nodal Exchange" or "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying an amendment to Rule 6.5.7 (Spread or Arbitrage Positions) of the Nodal Exchange Rulebook pursuant to Commission Regulation 40.6(a). The amended Rule 6.5.7 is attached hereto, indicating the specific text that is being deleted and added for this amendment. The Exchange intends to implement the amended Rule 6.5.7 in 10 business days on January 9, 2014.

Specifically, Rule 6.5.7 explains the process for Exchange participants to exclude qualifying spread and arbitrage positions from Exchange-set position limits. The amendment to Rule 6.5.7 includes instructions for Participants to submit either a notice or application providing specific information to the Exchange in order for qualifying spread and arbitrage positions to be excluded from position limits. Exchange management has assessed the amendments to Rule 6.5.7 and its compliance with applicable provisions of the Commodity Exchange Act ("Act"), including the Commissions Regulations and the Core Principles. Nodal Exchange has identified that amended Rule 6.5.7 may affect the following Core Principles as follows:

Compliance with the Rules: Consistent with the Exchange's Rules, the amendments to Rule 6.5.7 provide a process for documenting specific information regarding spread or arbitrage positions that is necessary to enable participants to comply with the Exchange's rules regarding position limits.

Core Principle 5 - Position Limitations or Accountability: Consistent with the Exchange's Rules, the amendments to Rule 6.5.7 provide instructions to participants for identifying spread and arbitrage positions to be excluded from position limits by providing specific qualifying information to the Exchange, which thereby further reduces the potential threat of market manipulation or congestion.

Pursuant to Section 5c(c) of the Act and the Commission's Regulation 40.6, the Exchange certifies that amended Appendix C complies with the Act and the Commission's Regulations thereunder. There have not been any opposing views expressed regarding the amendments to Appendix C.

Nodal Exchange certifies that this submission has been concurrently posted on the Nodal Exchange website at www.nodalexchange.com.

If you have any question or need additional information regarding this submission, please contact me at 703-962-9835 or Herrera@nodalexchange.com.

Sincerely,

Anita M. Herrera

Anita Herrera
Chief Regulatory Officer

Attachments:
- Submission Cover Sheet
- Redline of Nodal Exchange Rule 6.5.7

6.5.7 Spread or Arbitrage Positions. A spread or arbitrage transaction involves the simultaneous purchase and sale of identical or equivalent commodity futures contracts across two or more markets, such as location or delivery month, in order to hold a position on the discrepancy in their price relationship. For contracts subject to CFTC established position limits, spread positions or arbitrage positions between single months of a futures contract outside of the spot month, in the same year, may exceed the position limits; provided however, that such spread or arbitrage positions, when combined with any other net positions in the single month, do not exceed the all-months limit established by the CFTC. In order to exceed position limits without violating the Rules, a Participant must ~~submit spread~~comply with the following procedures for identifying spreads or arbitrage positions subject to this Rule:

(a) Submit the spread or arbitrage positions under a single order ID number. Positions resulting from spread orders submitted under a single order ID number or block trades submitted under a single trade group ID number shall be deemed spread positions for position limit purposes~~.~~;

(b) ~~Participant may not enter into any subsequent transaction that alters the spread or arbitrage position causing the Participant to exceed the position limits. In the event this occurs, the Participant will be~~ In the event the qualifying spread or arbitrage position cannot be submitted under a single order ID number, such as when a spread or arbitrage position is executed amongst three or more Participants, the Participant must submit a written notice to the Exchange in the form provided by the Exchange that shall include (i) a description of the spread or arbitrage position; (ii) a statement that the position is a spread or arbitrage position; and (iii) a statement that the Participant is complying with all other Rules and requirements of the Exchange;

(c) If neither (a) or (b) apply, the Participant must submit a written request to the Exchange in the form provided by the Exchange. The request must be received by the Exchange no later than five (5) Business Days before the position limits are in effect for the proposed spread or arbitrage position and shall include (i) a description of the size and nature of the proposed spread or arbitrage position; (ii) an explanation that neither (a) or (b) above applies to the proposed spread or arbitrage position; (iii) a statement that the intended position will be a spread or arbitrage position; and (iv) a statement that the Participant is complying with all other Exchange Rules and requirements;

(d) Participant may not enter into any subsequent transaction to alter the spread or arbitrage position causing the Participant to exceed the position limits. In the event this occurs, the Participant may be in violation of position limits for the period of time in which the excess positions remained open~~.~~; and

(e) Participant agrees to immediately submit a supplemental statement explaining any change in circumstances affecting the spread or arbitrage position.

The Compliance Department may deny or limit any Order intended as a spread or arbitrage position based on factors deemed by the Compliance Department to be relevant, such as whether the positions can be liquidated in an orderly manner.