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May 8, 2017

## **VIA CFTC PORTAL**

Commodity Futures Trading Commission Attention: Chris Kirkpatrick, Secretary Three Lafayette Centre 1155 21<sup>st</sup> Street, NW Washington, DC 20581

Re: CFTC Regulation 40.6(a) Certification: Amendments to Nodal Clear Rules 3.20.1 and 3.24.3(c)

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission ("Commission" or "CFTC") Regulation 40.6(a), Nodal Clear, LLC ("Nodal Clear") hereby notifies the Commission that it is self-certifying amendments to existing Nodal Clear Rules 3.20.1 and 3.24.3(c) (collectively, the "Rule Amendments"). These Rule Amendments shall become effective on May 22, 2017.

The amendment to Nodal Clear Rule 3.20.1 is required in order to convey to Nodal Clear Clearing Members ("Clearing Members") that the value of options may increase or reduce a Clearing Member's initial margin requirement. The amendment to Nodal Clear Rule 3.24.3(c) is required in order to eliminate an unnecessary condition for Clearing Members seeking to make a demand pursuant to an irrevocable letter of credit.

Nodal Clear management has assessed the Rule Amendments and their compliance with applicable provisions of the Commodity Exchange Act ("CEA"), including the Commission's Regulations and DCO Core Principles. Nodal Clear has identified that the Rule Amendments may have some bearing on the following Core Principles:

<u>Core Principle D - Risk Management</u>: The amendment to 3.20.1 enhances the description of Nodal Clear's initial margin process, which continues to be risk based and in compliance with Core Principle D.

<u>Core Principle L - Public Information</u>: As required by Core Principle L, Nodal Clear is publicly posting this self-certification letter on its website to ensure that market participants receive advance notice of the updated Nodal Clear Rules. On the effective date

of the Rule Amendments, the updated Nodal Clear Rules will be posted on the Nodal Clear website.

Pursuant to Section 5c(c)(1) of the CEA and the Commission's Regulation 40.6(a), Nodal Clear certifies that the Rule Amendments comply with the CEA and the Commission's Regulations thereunder. Nodal Clear is not aware of any opposing views expressed regarding these amendments. Nodal Clear certifies that this submission has been concurrently posted on the Nodal Clear website at <a href="https://www.nodalclear.com">www.nodalclear.com</a>.

If you have any questions or need additional information regarding this submission, please contact me at 703-962-9864 or <a href="mailto:alvarez@nodalexchange.com">alvarez@nodalexchange.com</a>.

Sincerely,

/s/Cody Alvarez

Cody Alvarez Chief Compliance Officer Corporate Counsel

Attachments:

Redline of Nodal Clear Rules 3.20.1 and 3.24.3(c)