



December 15, 2016

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: Self-Certification Rule Amendments: Nadex Amends its Fee Schedule – Submission Pursuant to Commission Regulation §40.6(a)

Dear Mr. Kirkpatrick:

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 amend its Fee Schedule for Direct Members.

Nadex last amended its Fee Schedule for Direct Members on September 4, 2012, at which time it implemented a \$0.90 transaction and settlement (for in-the-money contracts) fee for each lot traded, which was capped at 10 lots. This schedule applied to Nadex Members who registered on or after August 18, 2011, and those Members who had registered prior to that date but opted into the new schedule. Members on the old schedule were charged a \$1.00 transaction fee, which was capped at \$7.00, and an un-capped settlement fee of \$1.00 per in-the-money contract.

Since 2012, Nadex has undergone significant Membership and trading activity growth, increased marketing, educational, and sales efforts, and has made numerous improvements to the trading platform, payment methods, listed products, charts, among others. Due to these enhancements, as well as on-going maintenance and development, Nadex believes it is appropriate to amend the fees charged to Direct Members at this time, in order to continue to provide its Members a high quality trading experience and exceptional service. Accordingly, Nadex plans to amend its Fee Schedule to charge its Direct Members a \$1.00 transaction

fee per contract per side for each trade executed up to and including 50 lots. Members would not be charged additional transaction fees for lots over 50 executed within a single trade. Direct Members would also be charged an un-capped \$1.00 settlement fee per contract per side for each contract that settles in-the-money. If the per-contract settlement payout is greater than \$0, but the total fee to be charged for the position exceeds the total settlement payout for that position, Nadex will reduce the settlement fee to the amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout). Members will not incur settlement fees for contracts that settle out-of-the-money.

The new Fee Schedule will apply to *all* Members, including those who are currently on the pre-August 18, 2011 schedule, post-August 18, 2011 schedule, Members who have yet to begin trading, and future Members. As of the effective date of this submission, Nadex will extinguish its pre- and post- August 18, 2011 Fee Schedules.

Nadex is making this change to its Fee Schedule in accordance with Nadex Rule 3.8(b) which provides that Nadex Members may be charged fees in connection with the trading of contracts in an amount to be reflected from time to time on Nadex's website. Similarly, Nadex Rule 3.8(c) provides that Nadex Members may be charged fees in connection with the settlement of contracts in an amount to be reflected from time to time on Nadex's website. The amendments to the Fee Schedule are limited to transaction and settlement fees, and Nadex is not proposing any new fees.

Pursuant to Nadex Rule 3.8(e), "If Nadex determines in the future to impose dues or additional fees, the Member will be provided notice of the change at the time the amended fees are filed with the Commission. The new fee structure will be implemented no earlier than on the first available trade date for which the change may be implemented according to the Commission's self-certification filing requirements as set forth in Commission Regulation §40.6(a)." Notice of the fee changes discussed herein will be posted on the Nadex website at the time of this submission. As an added measure, all Nadex Members will receive notice by email of the changes prior to the implementation of the new schedule. The amended Fee Schedule will not affect Nadex's current Bonus Program for new Members, the details of which are described in submission number 1608-0811-3402-00, filed with the Commission on August 8, 2016.

DCM Core Principles

Nadex has identified the following Designated Contract Market ("DCM") Core Principles as potentially being affected by this amendment: Core Principle 2 (Compliance with Rules), Core Principle 7 (Availability of General Information).

Core Principle 2, implemented by Regulation 38.151, requires the DCM to provide its members with comparable fee structures. The amendments to the Fee Schedule discussed herein will apply uniformly to all Direct Members. Core Principle 7, implemented by Regulation 38.401, requires the DCM to make available to the public the terms and conditions of the contracts of the contact market, the rules regulations and mechanisms for executing transactions

on or through the facilities of the contract market, and the rules and specifications describing the operation of the contract market's electronic matching platform. All Members must pay the required fees in order to effect a transaction on the Exchange, and accordingly fees must be disclosed publicly. The Nadex Fee Schedule is currently available on the Nadex website, and will continue to be made available after the amendments discussed herein are implemented. Accordingly, the amendments discussed herein will not have a negative impact on Nadex's ability to comply with these Core Principles.

DCO Core Principles

Nadex has identified the following Derivatives Clearing Organization ("DCO") Core Principles as potentially being affected by this amendment: Core Principle L (Public Information).

Core Principle L, implemented by Regulation 39.21, requires the DCO to publicly disclose each clearing and other fee that the DCO charges its clearing members. As previously stated, the Nadex Fee Schedule is currently available on the Nadex website, and will continue to be made available after the amendments discussed herein are implemented. Accordingly, the amendments discussed herein will not have a negative impact on Nadex's ability to comply with this Core Principle.

The amended Fee Schedule is attached hereto in Exhibit A. Fee Schedule amendments and additions have been underlined and deletions have been stricken out.

Pursuant to the 10-day filing period under Regulation 40.6(a)(3), Nadex intends to implement these new rules and amendments on trade date January 3, 2017.

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 events 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) 884-0927 or by email at jaime.walsh@nadex.com.

Sincerely,



Jaime M. Walsh
Legal Counsel

EXHIBIT A

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

NADEX FEE SCHEDULE

DIRECT TRADING MEMBERS

Membership Fee:

- Nadex does not charge a Membership fee to join the Exchange.

Initial Deposit:

- Direct Trading Members are required to make an initial deposit of at least \$250; no minimum balance is required thereafter.

Transaction Fees:

Nadex charges no fee for orders placed, cancelled or amended.

Direct Trading Members ~~REGISTERED ON OR AFTER AUGUST 18, 2011*~~ incur an Exchange trading fee per contract per side for each ~~contract trade~~ executed based on order size according to the following schedule:

- ~~\$0.90~~ \$1.00 for each lot traded from 1 up to and including ~~40~~ 50 lots;
- An additional \$0.00 for each lot over ~~40~~ 50 lots.

~~Direct Trading Members REGISTERED ON OR BEFORE AUGUST 17, 2011* incur an Exchange trading fee of \$1.00 per contract per side for each trade executed on Nadex; on orders of 7 contracts or more, trading fees in connection with the execution of that order are capped at \$7.00.~~

Settlement Fees:

Nadex charges no fee for contracts that settle out-of-the-money.

Direct Trading Members ~~REGISTERED ON OR AFTER AUGUST 18, 2011*~~ incur an Exchange settlement fee per contract per side for each contract that settles in-the-money based on the position size at expiration according to the following schedule:

- ~~\$0.90~~ \$1.00 for each lot settled in-the-money, ~~from 1 up to and including 10 lots;~~
- ~~an additional \$0.00 for each lot settled in-the-money over 10 lots.~~

If the per-contract settlement payout is greater than \$0, but the total fee to be charged for the position exceeds the total settlement payout for that position, Nadex will reduce its fee to the amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).

~~Direct Trading Members REGISTERED ON OR BEFORE AUGUST 17, 2011* incur an Exchange settlement fee of \$1.00 per contract per side for each contract that settles in-the-money (note that positions that settle with a payout of less than \$1.00 are not charged a settlement fee).~~

FCM MEMBERS

Membership Fee:

- Nadex does not charge a FCM Membership fee to join the Exchange.

Minimum Balance:

- FCM Members are required to make an initial deposit of at least \$100,000 and to maintain a minimum balance of uncommitted funds of \$50,000.

Transaction Fees:

Nadex charges no fee for orders placed, cancelled or amended.

FCM Members incur an Exchange trading fee per contract per side for each contract executed based on order size according to the following schedule:

- \$0.35 for each lot traded from 1 up to and including 10 lots;
- \$0.00 for each lot traded over 10.

Settlement Fees:

FCM Members incur an Exchange settlement fee per contract per side for each contract that settles in-the-money based on the position size at expiration according to the following schedule:

- \$0.35 for each lot settled in-the-money.

If the per-contract settlement payout is greater than \$0, but the total fee to be charged for the position exceeds the total settlement payout for that position, Nadex will reduce its fee to the amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).

Nadex charges no fee for contracts that settle out-of-the-money.

MARKET MAKERS

Membership Fee:

- Nadex does not charge Market Makers a membership fee.

Minimum Balance:

- Market Makers are required to make an initial deposit of at least \$500,000 and to maintain a minimum balance of uncommitted funds of \$250,000 to collateralize the trades executed on Nadex.

Transaction Fees**:

Nadex charges no fee for Market Maker orders placed, cancelled or amended.

Nadex charges its non-intermediated Market Makers an Exchange trading fee of \$0.50 per contract per side for each trade executed on Nadex.

Settlement Fees**:

Nadex charges its non-intermediated Market Makers an Exchange settlement fee of \$0.50 per contract per side for each contract that settles in-the-money. If the total fee to be charged for the position exceeds the total settlement payout for that position, Nadex will reduce its fee to the amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).

Nadex charges no fee for contracts that settle out-of-the-money.

Additional Fees:

Market Makers will be assessed a Wide Spread Surcharge equal to 50% of the average per lot profit above \$2.00 (after standard transaction and settlement fees), in a given month.

SYSTEM PROVIDERS

Nadex is interested in discussing partnership opportunities with systems providers.

Anyone interested in becoming a Nadex FCM Member or market maker or pursuing a partnership as a systems provider should contact us.

* Members who have registered on or before August 17, 2011 may opt for the new fee schedule by contacting the Exchange.

** Rates apply to Post-Only orders. Non-Post-Only orders submitted by Market Maker will be charged a \$1.50 trading fee per side for each contract traded, and a \$1.00 settlement fee per side for each contract that settles in-the-money, regardless of whether the orders are submitted via API Connection, platform, or mobile device. Any necessary balance adjustment as the result of executed non-Post-Only orders shall be made on a monthly basis. Any amount owed by Market Maker as the result of the balance adjustment due to executed non-Post-Only orders may be debited from the Market Maker's cash account at Nadex.

NADEX FEE SCHEDULE CHART 1:

DIRECT MEMBERS AND FCM MEMBERS
 REGISTERED ON OR BEFORE AUGUST 17, 2011 EFFECTIVE JANUARY 3, 2017

TRADING FEES

Direct Member Exchange Trading Fees

Lots Traded	Fees Per Side
Lots 1-750	\$1.00
Lots above 507 and above	\$ 0.00 (i.e., \$7.00 capped)

FCM Member Exchange Trading Fees

Lots Traded	Fees Per Side
All lots traded	\$0.35

Market Maker Member Exchange Trading Fees

Lots Traded	Fees Per Side
All lots traded	\$0.50

SETTLEMENT FEES

Direct Member Settlement Fees*

Lots Settled in-the-money	Fees Per Side
All lots settled in-the-money	\$1.00

FCM Member Settlement Fees*

Lots Settled in-the-money	Fees Per Side
All lots settled in-the-money	\$0.35

Market Maker Member Settlement Fees*

Lots Settled in-the-money	Fees Per Side
All lots settled in-the-money	\$0.50

ADDITIONAL MARKET MAKER FEE

Average per Lot Profit per Month	Wide Spread Surcharge
Over \$2.00	50% above \$2.00

*Note that positions that settle with a payout of less than \$1.00 for Direct Trading Members, and less than \$0.35 for FCM Members, are not charged a settlement fee.

NADEX FEE SCHEDULE CHART 2:
DIRECT MEMBERS AND FCM MEMBERS
REGISTERED ON OR AFTER AUGUST 18, 2011*

TRADING FEES

Direct Member Exchange Trading Fees

Lots Traded	Fees Per Side
Lots 1-10	\$0.90
Lots 11 and above	\$ 0.00 (i.e., \$9.00 capped)

FCM Member Exchange Trading Fees

Lots Traded	Fees Per Side
Lots 1-10	\$0.35
Lots 11 and above	\$0.00 (i.e., \$3.50 capped)

SETTLEMENT FEES

Direct Member Settlement Fees**

Lots Settled in-the-money	Fees Per Side
Lots 1-10	\$0.90
Lots 11 and above	\$ 0.00 (i.e., \$9.00 capped)

FCM Member Settlement Fees**

Lots Settled in-the-money	Fees Per Side
All lots settled in-the-money	\$0.35

*Members who have registered on or before August 17, 2011 may opt for the new fee schedule by contacting the Exchange.

**If the per-contract settlement payout is greater than \$0, but the total fee to be charged for the position exceeds the total settlement payout for that position, Nadex will reduce its fee to the amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).