

June 27, 2023

VIA CFTC PORTAL

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

Re: CFTC Regulation 40.6(a) Certification: Amendments to Nodal Clear Rules

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“Commission” or “CFTC”) Regulation 40.6(a), Nodal Clear, LLC (“Nodal Clear” or the “Clearing House”) hereby notifies the Commission that it is self-certifying an amendment to the Nodal Clear Rulebook (the “Rule Amendments”).¹ The Rule Amendments are attached hereto and indicate the specific text that is being amended. The Rule Amendments shall become effective on July 12, 2023.

Nodal Clear proposes to adopt Rule Amendments to Nodal Clear Rules 3.16.4 and 3.20.1 that clarify:

- (i) the terms for offsetting transactions and
- (ii) that the net option value of an equity style option is included in the initial margin calculation.

Analysis of the Rule Amendments under DCO Core Principles

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:

Core Principle C – Participant and Product Eligibility: The Rule Amendments will not impact product eligibility at Nodal Clear. Nodal Clear will continue to determine whether a product is suitable for clearing based on its existing processes.

Core Principle D – Risk Management: The Rule Amendments continue to ensure Nodal Clear’s ability to identify and manage the risks associated with discharging the responsibilities of a DCO.

Core Principle L – Public Information: 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

¹ Capitalized terms not defined herein have the meaning set forth in the Nodal Clear Rulebook.

opposing views expressed regarding the Rule Amendments. Nodal Clear certifies that this submission has been concurrently posted on the Nodal Clear website at www.nodalclear.com.

If you have any questions or need additional information regarding this submission, please contact me at 703-962-9864 or alvarez@nodalexchange.com.

Sincerely,

/s/Cody Alvarez

Cody Alvarez
Chief Compliance Officer
Corporate Counsel

Attachments:
Rule Amendments (Redline)