



December 23, 2020

Via CFTC Portal

Mr. Christopher J. 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: Notice of Emergency Action: Early Expiration of Nadex IJC Contracts - 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 this notice of emergency action.

As stated in Rule 12.72 of the Rulebook, Nadex uses the number of unemployment insurance benefits claims as determined by the U.S Department of Labor, Employment and Training Administration Division as the expiration value in order to settle its Initial Jobless Claims (“IJC”) Binary contracts. In preparation for the self-certification submission filed on December 4, 2020 which adjusted the Nadex contract listing hours for the week of December 21, 2020 to accommodate the 2020 Christmas holiday, Nadex reviewed multiple websites which identify the release dates for the unemployment insurance benefits claims number, including Daily FX and the Economic Research website of the Federal Reserve Bank of St. Louis. At that time, no change to the release date of the claims was indicated and accordingly it was expected the number would be released per its regular schedule on Thursday, December 24, 2020. On December 17, 2020, Nadex did a secondary confirmation of the date prior to preparing the contracts for listing at the open of trade date December 21, 2020.

The unemployment insurance benefits claims number was released on December 23, 2020 rather than the originally scheduled date of December 24, 2020. Accordingly, Nadex was forced to close its IJC

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contracts a day earlier than the listed expiration date. All IJC contracts in both the Demo and Prod environments were confirmed closed at approximately 9:00am ET.

Nadex Compliance reached out to the Federal Reserve Bank of St. Louis and the Department of Labor on December 23, 2020 to query the early release. Both explained that President Donald Trump recently declared Thursday, December 24, 2020 a federal holiday, effectively giving federal employees the day off. As such, it was decided that the official IJC number would be released on December 23, 2020.

Two members, one retail member and one market maker, were negatively impacted by the issue after entering trades with a third member after the number was released. A total of \$42.00 and \$378.50 will be credited to the two negatively affected members in order to rectify their losses.

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

This emergency action is authorized by the Chief Financial Officer and the Chief Commercial Officer of Nadex per Nadex Rule 2.4.

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

Nadex hereby certifies that a copy of this amendment 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@ig.com.

Sincerely,



Jaime Walsh
Legal Counsel