



January 4, 2019

Via CFTC Submissions 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: Nadex Makes Ledger Adjustment Due to Exchange Contract - 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”), §40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission (“Commission”) under the Act (the “Regulations”), North American Derivatives Exchange (“Nadex”, the “Exchange”) hereby submits to the Commission this notice of emergency

Pursuant to the relevant contract specifications detailed in Chapter 12 of the Nadex Rulebook, four Touch Bracket contracts will be listed on the Exchange at the beginning of the trading session and either expire at 3:00pm ET on the last trade day of the week, or at any time throughout the trading session if the event the corresponding Index Value equals or exceeds the Cap or the Floor of the Touch Bracket, causing the contract to “knock-out”. If a Touch Bracket is knocked-out prior to its stated expiration time, a new Touch Bracket contract may be listed.

As of the close of business on trade date January 3, 2019, four Touch Brackets in the Index market were open and listed on the Exchange. The Exchange closed for its routine daily maintenance between 5:00pm and 6:00pm, during which none of the four Touch Brackets were knocked-out by a move in the corresponding Index Value. Accordingly, these four Touch Brackets were available for trading at the open of the Exchange for trade date January 4, 2019. However,

also listed due to a system error. The USD/JPY 105.41-107.91(3PM) Touch Bracket was trading until it was knocked-out approximately 13 minutes later at 6:13:08pm ET. During the fifth Touch Bracket was listed, a one-lot trade occurred between two Members. As the Touch Bracket contract should not have been listed for January 4, 2019, a ledger adjustment of fees) was made to return the Members to their position had they not entered the transaction.

Nadex did not receive any inquiries or complaints regarding the listing. An investigation into the cause of the fifth Touch Bracket was conducted, and the issue was identified and is in the process of being corrected.

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

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

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

Nadex hereby certifies that notice of these changes was posted on its website at the time of filing.

Should you have any questions regarding the above, please do not hesitate to call our customer service telephone at (312) 884-0927 or by email at jaime.walsh@nadex.com.

Sincerely,



Jaime Walsh
Legal Counsel