January 17, 2023

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: **Rule Certification: Nadex Amends Position Limits for its Bitcoin and Ether Cryptocurrency Touch Bracket Variable Payout 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 (the "Act"), and §40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission (the "Commission") under the Act, North American Derivatives Exchange, Inc. ("Nadex") d/b/a crypto.com | Derivatives North America hereby submits to the Commission its intent to adjust the position limits for its Bitcoin and Ether Cryptocurrency Touch Bracket Variable Payout Contracts from 100 to 10 lots for Direct Trading Members, and from 100,000 to 10,000 (on a per strike basis) for market makers quoting markets in these contracts pursuant to a Nadex Market Maker Agreement. Nadex is making these amendments to bring the position limits in line with sizes it anticipates retail traders would typically trade of a newly launched contract, while being cognizant of the overall capital usage and exposure of the market makers.

DCM Core Principles

Nadex has identified the following Designated Contract Market ("DCM") Core Principle as potentially being impacted by the amendments discussed herein: Core Principle 5 Position Limits or Accountability; Core Principle 7 Availability of General Information.

Core Principle 5 (Position Limits or Accountability), implemented by Commission Regulation 38.300, requires a DCM to establish position limits for speculators. Nadex is lowering its position limits to align with the anticipated levels it retail Members will trade in these newly launched contracts, and to prevent a reduction in overall liquidity in the event its direct trading Members should approach the current levels, forcing the market makers to reduce their own exposure by dropping out of the markets. Therefore, the amendments to

the position limits will not negatively impact Nadex's ability to comply with this Core Principle.

Core Principle 7 (Availability of General Information), implemented by Regulation 38.400, requires the DCM make available to the public accurate information concerning the terms and conditions of the contracts of the contract market. Nadex currently makes its Rulebook available to the public on its website and will continue to do so following the effective date of this submission. The Rulebook contains the contract specifications for all contracts, including each contract's position limits which will be updated as discussed herein and republished on the Nadex website. Accordingly, these amendments will not negatively affect Nadex's ability to comply with this Core Principle.

DCO Core Principles

Nadex has not identified any Derivatives Clearing Organization ("DCO") Core Principles as potentially being impacted by the amendments discussed herein.

A complete index of the DCM and DCO Core Principles that indicates whether the Core Principle is applicable and addressed in the text of this submission is attached in Exhibit A. These Rule changes have been outlined in Exhibit B. The amendments to the Rulebook are set forth in Exhibit C. Any deletions are stricken out while the amendments and/or additions are underlined.

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 amendments was posted on its website at the time of this filing.

In accordance with the 10-day review period set forth in Commission Regulation 40.6(b), this self-certification will become effective January 30, 2023.

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
Head of Legal

EXHIBIT A

Designated Contract Market ("DCM") Core Principles

Core Principle Number	Core Principle Name	Addressed in or Not Applicable to Self-Certification
1	Designation as Contract Market	Not applicable (designation granted)
2	Compliance with Rules	N/A; not impacted by this submission
3	Contracts Not Readily Subject to Manipulation	N/A; the contract structure will not change and imposing/lowering position limits does not increase the chance for manipulation
4	Prevention of Market Disruption	N/A; not impacted by this submission
5	Position Limitations or Accountability	Addressed
6	Emergency Authority	Not applicable (Nadex Rulebook, 2.4 Emergency Rules)
7	Availability of General Information	Addressed
8	Daily Publication of Trading Information	N/A; not impacted by this submission
9	Execution of Transactions	N/A; not impacted by this submission
10	Trade Information	N/A; not impacted by this submission
11	Financial Integrity of Transactions	N/A; not impacted by this submission, all trades are fully collateralized
12	Protection of Markets and Market Participants	N/A; not impacted by this submission

13	Disciplinary Procedures	Not applicable (Nadex Rulebook, Chapter 9 Rule Enforcement)
14	Dispute Resolution	Not applicable (Nadex Rulebook, 10.2 – 10.4 Arbitration)
15	Governance Fitness Standards	Not applicable (Nadex Rulebook, 2.2 Service Restrictions, 11.2 Service and Disciplinary History)
16	Conflicts of Interest	Not applicable (Nadex Rulebook, 2.6 Voting, 2.9 Trading Limitations, 11.1 Non-Public Information, 11.3 Voting)
17	Composition of Governing Boards of Contract Markets	Not applicable (internal review and appointment of directors)
18	Recordkeeping	N/A; not impacted by this submission
19	Antitrust Considerations	Not applicable
20	System Safeguards	Not applicable (internal controls and policies in place)
21	Financial Resources	Not applicable (capital requirements and quarterly reporting compliant)
22	Diversity of Boards of Directors	Not applicable (not public company, internal review and appointment of directors)
23	Securities and Exchange Commission	Not applicable

Derivatives Clearing Organization ("DCO") Core Principles

Core Principle Number	Core Principle Name	Addressed in or Not Applicable to Self-Certification
A	Compliance	Not applicable
B	Financial Resources	Not applicable (capital requirement and quarterly reporting compliant)
C	Participant and Product Eligibility	N/A; not impacted by this submission
D	Risk Management	N/A; not impacted by this submission
E	Settlement Procedures	N/A; not impacted by this submission
F	Treatment of Funds	Not applicable (Nadex Rulebook Chapter 8 Member Funds)
G	Default Rules and Procedures	N/A; not impacted by this submission
H	Rule Enforcement	Not applicable (Nadex Rulebook, Chapter 9 Rule Enforcement, 10.2 – 10.4 Arbitration)
I	System Safeguards	Not applicable (internal controls and policies in place)
J	Reporting	Not applicable (Nadex Rulebook Chapter 8 Member Funds)
K	Recordkeeping	N/A; not impacted by this submission
L	Public Information	Not applicable (Nadex Rulebook Chapter 8 Member Funds)

M	Information Sharing	N/A; not impacted by this submission
N	Antitrust Considerations	Not applicable
O	Governance Fitness Standards	Not applicable (Nadex Rulebook, 2.2 Service Restrictions, 11.2 Service and Disciplinary History, internal review and appointment of directors)
P	Conflicts of Interest	Not applicable (Nadex Rulebook, 2.6 Voting, 2.9 Trading Limitations, 11.1 Non-Public Information, 11.3 Voting)
Q	Composition of Governing Boards	Not applicable (internal review and appointment of directors)
R	Legal Risk	Not applicable (Nadex Rulebook Chapter 6)

Rule	Asset	Duration/Close Time	Action	Effective Date
12.24	Bitcoin Cryptocurrency Touch Bracket Variable Payout Contracts	All Contracts	Amend Position Limits	01/30/2023
12.25	Ether Cryptocurrency Touch Bracket Variable Payout Contracts	All Contracts	Amend Position Limits	01/30/2023

EXHIBIT C

Amendment of Rules 12.24, 12.25

(The following Rule amendments are underlined and deletions are stricken out)

RULE 1.1 - 12.3 [UNCHANGED]

RULE 12.24 BITCOIN CRYPTOCURRENCY "TOUCH BRACKET" VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Bitcoin Cryptocurrency ("Bitcoin") Touch Bracket Variable Payout Contracts, referred to as a 'Touch Bracket", issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the spot bitcoin cryptocurrency as reported in the ICE® Cryptocurrency Data[1] aggregated by Blockstream® Corporation[2] and distributed by ICE Data® Connectivity and Feeds, Inc.[3], herein referred to as "IDCF BIT", quoted in US dollars.

(c) SOURCE AGENCY – The Source Agency is Nadex.

(d) TYPE – The Type of Contract is a Variable Payout Contract.

(e) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the Bitcoin Touch Brackets, the Payout Criteria for the Contracts will be set as follows:

> (i) WEEKLY BITCOIN TOUCH BRACKET VARIABLE PAYOUT CONTRACTS, Expiration is the earlier of (a) 4:15PM ET on the Last Trade Day of the contract listing, or (b) when the Bitcoin Index Value is equal to or

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[1] ICE® is a registered mark of IntercontinentalExchange, Inc. ("ICE"). Nadex is not affiliated with ICE or ICE Data Connectivity and Feeds, Inc., and the Bitcoin Cryptocurrency "Touch Bracket" Variable Payout Contracts are not sponsored, endorsed, sold or promoted by ICE or ICE Data Connectivity and Feeds, Inc. in any way.
[2] Blockstream® is a registered mark of Blockstream Corporation ("Blockstream"). Nadex is not affiliated with Blockstream and the Bitcoin Cryptocurrency "Touch Bracket" Variable Payout Contracts are not sponsored, endorsed, sold or promoted by Blockstream.
[3] ICE® is a registered mark of IntercontinentalExchange, Inc. ("ICE") and ICE Data® is a registered mark of Intercontinental Exchange Holdings, Inc ("ICE Holdings"). Nadex is not affiliated with ICE, ICE Holdings, or ICE Data Connectivity and Feeds, Inc., and the Bitcoin Cryptocurrency "Touch Bracket" Variable Payout Contracts are not sponsored, endorsed, sold or promoted by ICE, Ice Holdings, or ICE Data Connectivity and Feeds, Inc. in any way.

greater than the Ceiling, or equal to or less than the Floor. Nadex shall list a set of four (4) Touch Bracket Variable Payout Contracts, each referred to as a 'Touch Bracket', that open at 6:00PM ET on the first Trade Day of the week, with overlapping ranges, which conform to the Payout Criteria listed below.

> (1) CONTRACT 1: The Ceiling shall be X + 400; The Floor shall be X – 100.

> (2) CONTRACT 2: The Ceiling shall be X + 300; The Floor shall be X – 200.

> (3) CONTRACT 3: The Ceiling shall be X + 200; The Floor shall be X – 300.

> (4) CONTRACT 4: The Ceiling shall be X + 100; The Floor shall be X – 400.

> (5) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

> (6) In each case, "X" equals the last IDCF BIT value, as reported by the Source Agency, rounded to the nearest 1.

(ii) Upon the early Expiration of a Touch Bracket, Nadex may list a new Touch Bracket with a Ceiling of X + 400 (or 100) and a Floor of X – 100 (or 400) where X equals the Ceiling (or Floor) of the Touch Bracket that expired early. The newly listed Touch Bracket will have the same Last Trade Day as originally established for the expired Touch Bracket and the same Dollar Multiplier as the expired Touch Bracket.

(f) MINIMUM TICK –The Minimum Tick size for the Bitcoin Touch Bracket Variable Payout Contracts shall be 1.

(g) POSITION LIMIT –The Position Limit for the Bitcoin Touch Bracket Variable Payout Contracts shall be ~~100~~10 Contracts.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Bitcoin Touch Bracket Variable Payout Contracts for contracted Market Makers shall be ~~100,000~~10,000 Contracts per strike level.

(i) LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Settlement Date.

(j) SETTLEMENT DATE – The Settlement Date of the Contract shall be the same date as the Expiration Date.

(k) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the Bitcoin Touch Bracket Expiration Value is released by the Source Agency.

(l) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(m) BITCOIN INDEX VALUE – The Source Agency shall calculate and produce a Bitcoin Index Value once each second throughout the life of the Bitcoin Touch Bracket Contracts. That is, each second the Source Agency will calculate a Bitcoin Index Value by taking by taking all IDCF BIT trade prices occurring in the ten (10) seconds leading up to the Calculation Time, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of IDCF BIT trade prices and the lowest twenty (20) percent of IDCF BIT trade prices from the data set[4], and using the remaining IDCF BIT trade prices to calculate the Bitcoin Index Value for that second. The calculation used is a simple average of the remaining IDCF BIT trade prices in the data set, rounded to one decimal point past the precision of the Underlying market. In the event the time it takes to collect at least twenty-five (25) IDCF BIT trade prices exceeds the ten (10) second period, the Bitcoin Index Value will be calculated by the Source Agency by taking the last twenty-five (25) IDCF BIT trade prices just prior to the Calculation Time, removing the highest five (5) IDCF BIT trade prices and the lowest five (5) IDCF BIT trade prices, and using the remaining fifteen (15) IDCF BIT trade prices to calculate the Bitcoin Index Value. The calculation used is a simple average of all fifteen (15) IDCF BIT trade prices, rounded to one decimal point past the precision of the Underlying market.

(n) EXPIRATION VALUE – The Expiration Value is the Bitcoin Index Value released by the Source Agency at Expiration on the Expiration Date.

(o) CONTINGENCIES – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series.

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[4] If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

RULE 12. 25 ETHER CRYPTOCURRENCY "TOUCH BRACKET" VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Ether Cryptocurrency ("Ether") Touch Bracket Variable Payout Contracts, referred to as a 'Touch Bracket", issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the spot Ether cryptocurrency reported in the ICE® Cryptocurrency Data[5], aggregated by Blockstream® Corporation[6] and distributed by ICE Data® Connectivity and Feeds, Inc.[7], herein referred to as "IDCF ETH", quoted in US dollars.

(c) SOURCE AGENCY – The Source Agency is Nadex.

(d) TYPE – The Type of Contract is a Variable Payout Contract.

(e) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the Ether Touch Brackets, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY ETHER TOUCH BRACKET VARIABLE PAYOUT CONTRACTS, Expiration is the earlier of (a) 4:15PM ET on the Last Trade Day of the Contract listing, or (b) when the Ether Index Value is equal to or greater than the Ceiling, or equal to or less than the Floor. Nadex shall list a set of four (4) Touch Bracket Variable Payout Contracts, each referred to as a 'Touch Bracket', that open at 6:00PM ET on the first Trade Day of the week, with overlapping ranges, which conform to the Payout Criteria listed below.

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[6] Blockstream® is a registered mark of Blockstream Corporation ("Blockstream"). Nadex is not affiliated with Blockstream and the Ether Cryptocurrency "Touch Bracket" Variable Payout Contracts are not sponsored, endorsed, sold or promoted by Blockstream.

[7] ICE® is a registered mark of IntercontinentalExchange, Inc. ("ICE") and ICE Data® is a registered mark of Intercontinental Exchange Holdings, Inc ("ICE Holdings"). Nadex is not affiliated with ICE, ICE Holdings, or ICE Data Connectivity and Feeds, Inc., and the Ether Cryptocurrency "Touch Bracket" Variable Payout Contracts are not sponsored, endorsed, sold or promoted by ICE, ICE Holdings, or ICE Data Connectivity and Feeds, Inc. in any way.

(1) CONTRACT 1: The Ceiling shall be X + 200; The Floor shall be X - 50.

(2) CONTRACT 2: The Ceiling shall be X + 150; The Floor shall be X – 100.

(3) CONTRACT 3: The Ceiling shall be X + 100; The Floor shall be X - 150.

(4) CONTRACT 4: The Ceiling shall be X + 50; The Floor shall be X – 200.

(5) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(6) In each case, "X" equals the last IDCF ETH value, as reported by the Source Agency, rounded to the nearest 1.

(ii) Upon the early Expiration of a Touch Bracket, Nadex may list a new Touch Bracket with a Ceiling of X + 200 (or 50) and a Floor of X – 50 (or 200) where X equals the Ceiling (or Floor) of the Touch Bracket that expired early. The newly listed Touch Bracket will have the same Last Trade Day as originally established for the expired Touch Bracket and the same Dollar Multiplier as the expired Touch Bracket.

(f)   MINIMUM TICK –The Minimum Tick size for the Ether Touch Bracket Variable Payout Contracts shall be 1.

(g)   POSITION LIMIT –The Position Limit for the Ether Touch Bracket Variable Payout Contracts shall be ~~100~~10 Contracts.

(h)   MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Ether Touch Bracket Variable Payout Contracts for contracted Market Makers shall be ~~100,000~~10,000 Contracts per strike level

(i)   LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Settlement Date.

(j)   SETTLEMENT DATE – The Settlement Date of the Contract shall be the same date as the Expiration Date.

(k)   EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the Ether Touch Bracket Expiration Value is released by the Source Agency.

(l)   SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date.   The

Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(m)　ETHER INDEX VALUE – The Source Agency shall calculate and produce a Ether Index Value once each second throughout the life of the Ether Touch Bracket Contracts. That is, each second the Source Agency will calculate a Ether Index Value by taking by taking all IDCF ETH trade prices occurring in the ten (10) seconds leading up to the Calculation Time, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of IDCF ETH trade prices and the lowest twenty (20) percent of IDCF ETH trade prices from the data set[8], and using the remaining IDCF ETH trade prices to calculate the Ether Index Value for that second. The calculation used is a simple average of the remaining IDCF ETH trade prices in the data set, rounded to one decimal point past the precision of the Underlying market. In the event the time it takes to collect at least twenty-five (25) IDCF ETH trade prices exceeds the ten (10) second period, the Ether Index Value will be calculated by the Source Agency by taking the last twenty-five (25) IDCF ETH trade prices just prior to the Calculation Time, removing the highest five (5) IDCF ETH trade prices and the lowest five (5) IDCF ETH trade prices, and using the remaining fifteen (15) IDCF ETH trade prices to calculate the Ether Index Value. The calculation used is a simple average of all fifteen (15) IDCF ETH trade prices, rounded to one decimal point past the precision of the Underlying market.

(n)　EXPIRATION VALUE – The Expiration Value is the Ether Index Value released by the Source Agency at Expiration on the Expiration Date.

(o)　CONTINGENCIES – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series.

RULES 12.26 – 12.65 [UNCHANGED]

End of Rulebook.

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[8] If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.