



December 16, 2016

Via email submission@cftc.gov

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 Delays Deployment of its New Expiration Value Calculation and Settlement Procedure for non-FX Products - 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.

On November 23, 2016 Nadex submitted a self-certification submission to the CFTC providing notice that it planned to amend its expiration value calculation and settlement procedures for all currency, commodity, and indices contracts. Under the new procedures, in instances where 25 or more trades in the case of non-FX products, or 10 or more midpoints in the case of FX products are collected in the last 10 seconds leading up to expiration of the Nadex contract, Nadex would use all trades (or midpoints) collected during that period. For non-FX products, the highest 20% and lowest 20% of trades will be removed from the data set. The remaining prices in the data set will be averaged and rounded to one decimal point past the precision of the underlying market (except for the Wall Street 30 which will be rounded to the point of precision of the underlying market). For foreign currency products, the highest 30% and lowest 30% of midpoint prices will be removed from the data set. The remaining prices in the data set will be averaged and rounded to one decimal point past the precision of the underlying market. For both non-FX and foreign currency products, if the removal of the highest and lowest 20% of trades or 30% of midpoints would result in a non-integer number of trade (or midpoint) prices, the number of the number of trade (or midpoint) prices to be removed from the data set will be rounded down to the nearest integer. The expiration value calculation process would remain as it is currently if the time it takes to collect 25 trades in the case of non-FX products, or 10 or more midpoints in the case of FX products exceeds 10 seconds.

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While Nadex will proceed with this new expiration value calculation process for its FX products beginning on December 19, 2016, Nadex is delaying the new calculation process for all non-FX products pending additional technological work and testing.

At this time Nadex does not have the specific date on which this work will be completed, however, Nadex will post a notice on its notices page of the website in advance of the deployment to the non-FX products. Until that time, the settlement process for all non-FX products will remain unchanged.

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 Regulatory 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@nadex.com.

Sincerely,



Jaime Walsh
Legal Counsel