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Via E-Mail: submissions@cftc.gov

Mr. David Stawick
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: Self-Certification Rule Amendments: Nadex Adds New Rule for Jurisdictional Consent Provision, Amends and Clarifies Language for its Member Obligations and Hours for Trading Contracts – Submission Pursuant to Commission Regulation §40.6(a)

Dear Mr. Stawick:

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 its intent to amend language in its Member Obligations regarding notification responsibilities, add new Rule 2.10 regarding jurisdictional provisions, clarify language in its Hours for Trading, as well as remove references to its now delisted Korea 200 and India 50 contracts and to correct reference to the close time for its Corn and Soybean contracts.

Nadex is amending the language in its Rule 3.3 Member Obligations to reflect verbatim the Commission’s Regulation 39.16(d)(1) regarding member notification in the event of bankruptcy petition, receivership proceeding or the equivalent, and to include the broader requirement that members must notify Nadex in the event of any financial or business developments which may materially affect the member’s ability to comply with participation requirements. Nadex has identified the following Derivatives Clearing Organization Core Principles as potentially being affected by this amendment: Participant and Product Eligibility and Default Rules and Procedures. Nadex has determined that the amendment to its Member Obligations Rule complies with these Core Principles. The language of the Rule is being amended in order to reflect the specific events identified in 39.16(d) of which members must provide notice, as well as the broader provision requiring notification of any financial or business

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development which may materially affect the members' compliance. Nadex believes that requiring its members to notify the Exchange of certain financial events which may affect their ability to comply with the participation requirements constitutes an appropriate admission and continuing participation requirement and is not a restrictive obligation. Nadex has identified the following Designated Clearing Market Core Principle as potentially being affected by this amendment: (11) Financial Integrity of Contracts. Nadex believes that amending its Rule 3.3 to include the aforementioned provision complies with this Core Principle by furthering the financial integrity of its Members and the marketplace.

Nadex is adding new Rule 2.10 CONSENT TO JURISDICTION, in order to comply with Designated Contract Market Core Principle 2 (Compliance with Rules). In accordance with the agreement of the Joint Compliance Committee that all designated contract markets would adopt the same rule language, Nadex is amending its Rules to include language requiring members and market participants to consent to Nadex's jurisdiction prior to granting access to its markets. Nadex understands that all other designated contract markets will be adopting consistent rule provisions. Consent to jurisdiction would give Nadex the authority to collect information and documents, examine books and records, discipline, limit, suspend, and terminate Member accounts, in furtherance of Core Principle 2. Nadex has also identified the following Designated Contract Market Core Principles as potentially being impacted by these amendments: (4) Monitoring of Trading and (13) Dispute Resolution. The Commission's guidance as to acceptable practices with respect to Core Principle 4 states that the designated contract market should collect various market data, information on traders' market activity, as well as positions and trading of its market participants. Nadex believes that the addition of this jurisdictional provision will facilitate its ability to collect this data and comply with Core Principle 4. Furthermore, by consenting to the jurisdiction provision set forth in new Rule 2.10, market participants are provided fair and equitable dispute resolution procedures set forth in Nadex Chapters 9 and 10 and required by Core Principle 13. Additionally, Nadex has identified the following Derivatives Clearing Organization Core Principle as potentially being impacted by these amendments: Participant and Product Eligibility and Rule Enforcement. Nadex believes the jurisdictional amendment complies with these Core Principles as it will facilitate Nadex's ability to enforce its disciplinary authority and procedures. Implementing this Rule will not affect any market participants currently trading Nadex products. At this time, Nadex has no FCM Members, and all direct Members are already subject to the Exchange's jurisdiction.

Finally, Nadex is making some technical or clarifying amendments to its Rules that do not appear to impact any Core Principles. Nadex is amending its Rule 5.18 Hours for Trading to delete references to its India 50 and Korea 200 contracts which had been delisted on May 9, 2011 and June 18, 2012, respectively. Nadex is also correcting references to the close time for its Corn and Soybean contracts from 2:15pm ET to 3:00pm ET. The close time for its Corn and Soybean contracts had been extended to 3:00pm on June 25, 2012, in order to correspond with the Chicago Board of Trade's trading hours for these products. Additionally, Nadex is amending language to clarify when members may access their account information, enter new orders, cancel orders, and/or modify orders. Amendments to this Rule will not impact the Exchange's compliance with the Core Principles.

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Rule changes have been outlined in Exhibit A, and Rule amendments are attached hereto in Exhibit B. Rule amendments and additions have been underlined and deletions have been stricken out.

Pursuant to the 10-day filing period under Regulation 40.6(a)(3), Nadex intends to implement these new rules and amendments on trade date August 20, 2012.

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

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

Nadex hereby certifies that a copy of these amendments 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) 884-0171 or by email at tim.mcdermott@nadex.com.

Sincerely,



Timothy G. McDermott
General Counsel and Chief Regulatory Officer

cc: DMOSubmission@cftc.gov
Jon Hultquist – CFTC (Acting Branch Chief, DMO, Chicago)
Tom Leahy – CFTC
Riva Adriance – CFTC
Nancy Markowitz – CFTC

Yossi Beinart - Nadex

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EXHIBIT A

Rule	Asset	Duration/ Close Time	Action	Effective Date
2.10	Consent to Jurisdiction	N/A	Add jurisdictional provisions.	8/20/12
3.3	Member Obligations	N/A	Amend language for Member notification responsibilities.	8/20/12
5.18	Hours for Trading Contracts	N/A	Delete Korea 200 and India 50 hours; correct close time for Corn and Soybean contracts; clarify language for when Members may access accounts and place/amend orders.	8/20/12

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EXHIBIT B

Addition of Rule 2.10; Amendment of Rules 3.3, and 5.18

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

RULES 1.1 – 2.9 [UNCHANGED]

RULE 2.10 CONSENT TO JURISDICTION

Any Person initiating or executing a transaction on or subject to the Rules of the Exchange directly or through an intermediary, and any Person for whose benefit such a transaction has been initiated or executed, expressly consents to the jurisdiction of the Exchange and agrees to be bound by and comply with the Rules of the Exchange in relation to such transactions, including, but not limited to, rules requiring cooperation and participation in investigatory and disciplinary processes.

RULES 3.1 – 3.2 [UNCHANGED]

RULE 3.3 MEMBER OBLIGATIONS

(a) Each Member and any Authorized Trader(s) thereof, must comply with these Rules, applicable provisions of the Commodity Exchange Act, and relevant Commission regulations. Each Member and any Authorized Trader(s) thereof must also cooperate promptly and fully with Nadex, its agents, and/or the Commission in any investigation, call for information, inquiry, audit, examination, or proceeding. Additionally, each Member must update its e-mail address within 24 hours after any change and update all other information provided in its application for membership within five days after that information has changed. If any Member or Authorized Trader(s) thereof fail to satisfy these obligations, Nadex may revoke or suspend the Member's privileges in full or in part. Each Member may also be subject to civil or criminal prosecution.

(b) Each Member consents to allow Nadex to provide all information Nadex has about the Member, including the Member's trading activity, to the Commission or any other Regulatory Agency, law enforcement authority, or judicial tribunal, including (as may be required by information sharing agreements or other contractual, regulatory, or legal provisions) foreign regulatory or self-regulatory bodies, law enforcement authorities, or judicial tribunals.

(c) Each Member and each Member's Authorized Trader(s) are required to review the "Exchange Notices" section of the Nadex website to make itself aware of material changes to these Rules or other notices that may affect your rights and obligations as a Member of Nadex.

(d) Each Member must immediately notify Nadex in writing upon becoming aware:

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(i) that the Member, any of the Member's officers or any of the Member's Authorized Traders has had trading privileges suspended, access to, or membership or clearing membership in, any Regulatory Agency denied;

(ii) that the Member, any of the Member's officers or any of the Member's Authorized Traders has been convicted of, pled guilty or no contest to, or entered a plea agreement to, any felony in any domestic, foreign or military court;

(iii) that the Member, any of the Member's officers or any of the Member's Authorized Traders has been convicted of, plead guilty or no contest to, or entered a plea agreement to a misdemeanor in any domestic, foreign or military court which involves:

(1) embezzlement, theft, extortion, fraud, fraudulent conversion, forgery, counterfeiting, false pretenses, bribery, gambling, racketeering, or misappropriation of funds, securities or properties; or

(2) any transaction in or advice concerning futures, options on futures, leveraged transactions or securities;

(iv) that the Member, any of the Member's officers or any of the Member's Authorized Traders has been subject to, or associated with a firm that was subject to regulatory proceedings before any Regulatory Agency;

(v) that the Member, any of the Member's officers or any of the Member's Authorized Traders is currently a party to any investigation or proceeding, the resolution of which could result in an event described in Rule 3.3(d)(i)-(iv);

(vi) of any other material change in any information contained in the Member's membership application;

(vii) of any failure to maintain segregated funds as required by the Commission when the Member is a FCM Member;

(viii) of becoming subject to early warning reporting under Commission Regulation 1.12;
~~and~~

(ix) of becoming the subject of a bankruptcy petition, receivership proceeding, or the equivalent, or being unable to meet any financial obligation as it becomes due; or

(x) of information that concerns any financial or business developments that may materially affect the Members' ability to continue to comply with participation requirements.

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(e) Each Member must diligently supervise all activities of the Member's employees and/or agents, including all Authorized Traders, relating to transactions effected on Nadex. Any violation of these Rules by any employee of a Member may constitute a violation of the Rules by such Member.

RULES 3.4 – 5.17 [UNCHANGED]

RULE 5.18 HOURS FOR TRADING CONTRACTS

The Market will be open for execution of your orders during specified hours in a regular trading session from 6:00 p.m. (T-1) to 5:00 p.m. Eastern Time Sunday through Thursday, and during a regular trading session from 6:00 p.m. (T-1) to 4:15 p.m. Eastern Time on Friday, with the following exceptions:

a) Corn and Soybean Binary and Variable Payout Spread Contracts will be available for trading between the hours of 10:30 a.m. and ~~2:15~~3:00 p.m. Eastern Time Monday through Friday.

~~b) Korea 200 Binary and Variable Payout Contracts will be available for trading between the hours of 7:00 p.m. and 1:05 a.m. Eastern Time¹ Sunday through Friday.~~

~~eb) Japan 225 Binary and Variable Payout Contracts will be available for trading between the hours of 6:45 p.m. and 1:25 a.m. Eastern Time² Sunday through Friday.~~

~~d) India 50 Binary and Variable Payout Contracts will be available for trading between the hours of 11:30 p.m. and 5:00 a.m. Eastern Time³ Sunday through Friday.~~

Please note that Nadex trading hours, including the trading hours and trading hours for individual contracts, are subject to change due to holiday, availability of underlying products, emergency, or other event necessitating a halting or closure of trading. Any changes to Nadex trading hours due to a US or foreign holiday will follow the Product Schedule Guidelines for Holidays posted on the Nadex website. Any other changes in trading hours or product availability will be posted on the Nadex website.

Members may access account information when the Market is closed. Members may enter new orders and/or cancel or modify open orders whenever those markets are available for trading. ~~Members generally may cancel open orders when the market is closed between the hours of 5:00 p.m. and 6:00 p.m. Eastern Time Monday through Thursday, except that Members will be able to cancel Japan 225, India 50, Korea 200, Corn and Soybean Binary and Variable Payout Spread orders only when those contracts are available for trading.~~

RULES 5.19 – 12.78 [UNCHANGED]

¹ ~~During the period when the US observes daylight savings time, all Korea 200 contracts will open and close 1 hour later than their regular defined times.~~

² ~~During the period when the US observes daylight savings time, all Japan 225 contracts will open and close 1 hour later than their regular defined times.~~

³ ~~During the period when the US observes daylight savings time, all India 50 contracts will open and close 1 hour later than their regular defined times.~~

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End of Rulebook

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