



Timothy G. McDermott
+1 (312) 884-0171
tim.mcdermott@nadex.com

December 14, 2012

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 Clarifies its Temporary “Demo Account Conversion Program” - 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 a clarification regarding its “Demo Account Conversion Program”. Please see the November 23, 2012 filing, a copy of which is attached as Exhibit “A”.

As previously described, Nadex’s Demo Account Conversion Program will provide for the temporary waiver of all Exchange Trading Fees and Settlement Fees for any trading activity by a prospective Member who has a Demo account but who has not yet opened and funded a live trading account. This fee waiver will be available to any new Member who had opened a Demo account from January 1, 2012 through and including trade date October 31, 2012, but who had not applied for Exchange Membership and funded a live trading account as of trade date November 23, 2012. The Demo Account Conversion Program does not affect any other requirements to become a Member of Nadex; that is, in order to qualify for the Demo Account

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

Conversion Program, an existing Demo Account user will have to meet all of Nadex's existing requirements for membership. The fee waiver under the Program will be in place for any trading activity under the Demo Account Conversion Program that occurs between the effective date of the Program and trade date January 31, 2013.

This filing is being submitted to clarify that the fee waiver is being effectuated through a rebate of such fees following the expiration of the Program on January 31, 2013, but no later than February 8, 2013.

Compliance with Core Principles

Nadex has not identified any Designated Contract Market Core Principles, Derivatives Clearing Organization Core Principles, or regulations as potentially being affected by this clarification.

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

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 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) 884-0171 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)
Julie Mohr - CFTC
Riva Adriance – CFTC
Nancy Markowitz – CFTC

Yossi Beinart - Nadex

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

EXHIBIT A



NADEX

Timothy G. McDermott
+1 (312) 884-0171
tim.mcdermott@nadex.com

November 23, 2012

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 Adopts a Temporary “Demo Account Conversion Program” - 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 adopt a temporary “Demo Account Conversion Program”. This Program would be effective for the start of business on December 17, 2012.

Nadex charges its Members certain Exchange fees in connection with trades and certain settlements of its contracts. The applicable fees are set forth in Nadex’s Fee Schedule. In addition, Nadex offers a “Demo Platform” for prospective and existing Members to become familiar with the Nadex system and products and to learn the mechanics of trading on Nadex.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

Nadex is amending its Fee Schedule to establish a temporary program, known as a "Demo Account Conversion Program", to encourage existing Demo users to consider opening, funding and trading a live Nadex account.

Specifically, Nadex's Demo Account Conversion Program will provide for the temporary waiver of all Exchange Trading Fees and Settlement Fees for any trading activity by a prospective Member who has a Demo account but who has not yet opened and funded a live trading account. This fee waiver will be available to any new Member who had opened a Demo account from January 1, 2012 through and including trade date October 31, 2012, but who had not applied for Exchange Membership and funded a live trading account as of trade date November 23, 2012. The Demo Account Conversion Program does not affect any other requirements to become a Member of Nadex; that is, in order to qualify for the Demo Account Conversion Program, an existing Demo Account user will have to meet all of Nadex's existing requirements for membership. The fee waiver under the Program will be in place for any trading activity under the Demo Account Conversion Program that occurs between the effective date of the Program and trade date January 31, 2013.

Compliance with Core Principles

Nadex has identified the following Designated Contract Market Core Principle and regulation as potentially being affected by this amendment: Core Principle 2 ("Compliance with Rules") and Regulation 38.151 ("Access Requirements"). Specifically, with respect to the requirement for "comparable fee structures" in Regulation 38.151(b)(2), Nadex believes that Demo Account Conversion Program reflects a legitimate business justification for providing a limited fee waiver to a particular category of potential members in order to encourage them to participate directly in Nadex's markets. As existing Demo Account holders become Members and trade at Nadex, they will bring added depth and liquidity to the exchange that is supported by the opportunity they have had to become familiar with the Nadex system and products and to learn the mechanics of trading on Nadex via the Demo platform.

Additionally, Nadex has identified the following Derivatives Clearing Organization Core Principle and regulation as potentially being impacted by this amendment: Core Principle L and CFTC Regulation 39.21 ("Public Information"). These provisions require, among other things, that DCOs disclose sufficient information to enable market participants to identify and evaluate accurately the costs associated with using the services of the DCO, including the clearing and other fees that the DCO charges its members. Nadex will post this submission and the information relevant to the Demo Account Conversion Program on its website.

Pursuant to the 10-day filing period under Regulation 40.6(a)(3), Nadex intends to implement this Program on trade date December 17, 2012.

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

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

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 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) 884-0171 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)
Julie Mohr - CFTC
Riva Adriance – CFTC
Nancy Markowitz – CFTC

Yossi Beinart - Nadex

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com