



May 13, 2025

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: Certification of Contingent Derivatives Contract (Silver) - Submission Pursuant to Commission Regulation 40.2(a)

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the "Act" or "CEA"), and §40.2(a) of the Regulations promulgated by the Commodity Futures Trading Commission (the "Commission") under the Act, the North American Derivatives Exchange, Inc. d/b/a Crypto.com | Derivatives North America (the "Exchange" or "CDNA") hereby certifies a swap, which is an event contract based on a commercial economic event (the "Event Contract" or "Contract"). The Exchange intends to list the Event Contract for trading no later than May 15, 2025.

In connection with this certification, CDNA is submitting the following:

- (i) A concise explanation and analysis of the Event Contract;
- (ii) A certification that the Event Contract complies with the Act and Commission Regulations thereunder;
- (iii) A certification that CDNA has posted a copy of the product submission on its website;
- (iv) The intended listing date of the Event Contract;
- (v) The terms and conditions of the Event Contract, set forth in Exhibit A hereto; and
- (vi) A discussion of the Event Contract's compliance with applicable provisions of the Act and Commission Regulations thereunder, set forth in Exhibit B hereto.

The Event Contract is a financial instrument designed to express a market view related to the potential increase or decrease in price of the COMEX/NYMEX® Silver Futures Contract ("SFC").¹

¹ COMEX, NYMEX, and CME are registered marks of the Chicago Mercantile Exchange, Inc. CDNA is not affiliated with Chicago Mercantile Exchange, Inc. and neither Chicago Mercantile Exchange, Inc. nor its

There are broad economic and commercial impacts related to changes in the price of the SFC, with substantial micro- and macroeconomic repercussions. CDNA designed the Event Contract to meet the varied and diverse hedging and market needs of commercial firms and individuals impacted by or with an economic interest in the event outcome.

The Event Contract operates in a manner equivalent to economic event contracts that CDNA and other designated contract markets have certified for trading. Price bands will apply so that the Contract may only be listed at increments of at least \$.10 and at most \$9.90. The Event Contract will have a minimum notional value of \$10 and a minimum price fluctuation of \$.10, to enable Members to match the size of the contracts purchased to their economic risks, as set in CDNA's Trading System.

As outlined in Exchange Rule 5.18, trading will be available at all times outside of any maintenance windows, which CDNA will announce in advance. At least one dedicated market maker that is committed to providing immediate liquidity will participate upon the Event Contract's launch. CDNA has further imposed position limits as described in more detail below. Members will be charged fees in accordance with Exchange Rule 3.9 in such amounts as may be revised from time to time and reflected on CDNA's website.

During the Event Contract trading hours, Members are able to adjust their positions and trade freely. After trading of the Event Contract has closed, CDNA will determine the Expiration Value and whether the Payment Criteria encompasses the Expiration Value (i.e., whether the market outcome is "Yes" or "No"). The market is then settled by CDNA, and either the long position holders or the short position holders are paid the Settlement Value. In this case, "long position holders" refers to Members who purchased the "Yes" side of the Event Contract and "short position holders" refers to Members who purchased the "No" side of the Event Contract. If the Expiration Value is "Yes", then the long position holders are paid an absolute amount proportional to the size of their position and the short position holders receive no payment. If the Expiration Value is "No," then the short position holders are paid an absolute amount proportional to the size of their position and the long position holders receive no payment. Specification of the circumstances that would trigger an Expiration Value of "Yes" are included below in the section titled "Payment Criterion" in Exhibit A. The Expiration Date of the Contract is designed to account for multiple possible contingencies impacting the determination of the Expiration Value.

In accordance with §40.2(a)(2) of the Commission's Regulations and as set forth above, the Exchange intends to list the Event Contract for trading no later than May 15, 2025.

affiliates, sponsor or endorse CDNA in any way. In particular, the Silver Event Contracts are not sponsored, endorsed, sold or promoted by Chicago Mercantile Exchange, Inc.

The contract specifications as they will appear in the CDNA Rulebook are set forth in Exhibit A. A complete index of the Core Principles for designated contract markets and how they are applicable to CDNA in relation to listing these Event Contracts is set forth in Exhibit B.

The Exchange hereby certifies that the product complies with the Act, as amended, and the Commission Regulations adopted thereunder. No substantive opposing views were expressed to the Exchange with respect to any of these actions. The Exchange hereby certifies that a copy of this submission was concurrently posted on the CDNA website.

Should you have any questions regarding the above, please do not hesitate to contact me by telephone at (312) 884-0161 or by email at Kevin.Dan@nadex.com.

Sincerely,

/s/

Kevin Dan
Chief Compliance Officer and Chief Regulatory Officer
The North American Derivatives Exchange, Inc. d/b/a Crypto.com | Derivatives North America

EXHIBIT A

*The Contract Specifications set forth below will appear in the Rulebook as Rule 13.58.
Capitalized terms not defined herein shall have the meaning set forth in the Rulebook.*

13.58 SILVER EVENT CONTRACT

- (a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the SilverEvent Contract, a type of “Event Contract” listed by the Exchange.
- (b) UNDERLYING – The Underlying for this Class of Event Contracts is the price of the COMEX/NYMEX® Silver Futures Contract (“SFC”) traded on the Commodity Exchange® (COMEX®)² for the contract month designated by the Exchange, as further specified on the Exchange’s website or through its Trading System.
- (c) SOURCE AGENCY – The Source Agency is Nadex.
- (d) TYPE – The Type of Contract is an Event Contract, which is a Swap.
- (f) PAYMENT CRITERION – The Payment Criterion for each Event Contract shall be set by Nadex at the time the Event Contract is initially listed. The Payment Criterion for the Event Contract shall be Expiration Values that are [above/below] [value] [at/before] [time] on [date].
- (g) MINIMUM TICK – The Minimum Tick size for the Event Contract shall be .10 and the Minimum Tick Value shall be \$0.10.
- (h) POSITION LIMIT – The Position Limit for the Event Contract shall be 250,000 Contracts, or as updated on the Exchange’s website or Trading System.
- (i) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for Market Makers shall be 2,500,000 Contracts, or as updated on the Exchange’s website or Trading System.
- (j) LAST TRADING DATE AND TIME – The Last Trading Date shall be the same as the Expiration Date, and the Last Trading Time shall be the same as the Expiration Time. No trading in the Event Contract shall occur after its Last Trading Date and Time.

² COMEX, NYMEX, and CME are registered marks of the Chicago Mercantile Exchange, Inc. Nadex is not affiliated with Chicago Mercantile Exchange, Inc. and neither Chicago Mercantile Exchange, Inc. nor its affiliates, sponsor or endorse Nadex in any way. In particular, the Nadex Silver Event Contracts are not sponsored, endorsed, sold or promoted by Chicago Mercantile Exchange, Inc.

(k) SETTLEMENT DATE AND TIME – The Settlement Date and Time shall be the same as the Last Trading Date and Last Trading Time.

(l) EXPIRATION DATE – The Expiration Date of the Event Contract shall be the date on which the Exchange determines the Expiration Value of the Event Contract, as specified on the Exchange's website or through its Trading System.

(m) EXPIRATION TIME – The Expiration Time of the Event Contract shall be the time at which the Exchange determines the Expiration Value of the Event Contract, as specified on the Exchange's website or through its Trading System.

(n) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in-the-money Event Contract on the Settlement Date. The Settlement Value of an in-the-money Event Contract shall be \$10 or as specified on the Exchange's website or Trading System.

(o) EXPIRATION VALUE – The Expiration Value is the price or value of the Silver Event Contract released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all SFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the Silver Event Contract, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of SFC trade prices and the lowest twenty (20) percent of SFC trade prices from the data set³, and using the remaining SFC trade prices to calculate the Expiration Value. The calculation used is a simple average of the remaining SFC 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) SFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the Silver Event Contract, the Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) SFC trade prices just prior to the close of trading of the Silver Event Contract removing the highest five (5) SFC trade prices and the lowest five (5) SFC trade prices, and using the remaining fifteen (15) SFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) SFC trade prices, rounded to one decimal point past the precision of the underlying market.

³ 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.

EXHIBIT B

COMPLIANCE WITH APPLICABLE PROVISIONS OF THE ACT AND COMMISSION REGULATIONS THEREUNDER

BACKGROUND

In connection with CDNA's certification of the Silver Event Contract (the "Event Contract"), below we set forth a concise explanation and an analysis of the swap's compliance with applicable provisions of the Act, including Core Principles, and the Commission's Regulations thereunder.

The Event Contract is a financial instrument designed to express a market view related to the broad economic impact of changes in the COMEX/NYMEX® Silver Futures market. The Event Contract provides a fully regulated approach to expressing a view related to an increase or decrease in the price of COMEX/NYMEX® Silver Futures in the short, medium, and long terms, or hedging against the economic impact of such an increase or decrease.

The Event Contract is designed to manage the risk of a variety of market participants who face commercial consequences based on the performance of COMEX/NYMEX® Silver Futures and to enable price discovery. As is the case with any derivatives instrument, the Event Contract may also be bought and sold speculatively, which creates a robust and healthy market. The Event Contract may also satisfy other needs and suit other purposes of market participants that CDNA has not considered. Based on the above, the Event Contract would allow market participants access to a product that would meet their legitimate hedging needs and allow for efficient and accurate price discovery in these markets.

DESIGNATED CONTRACT MARKET (“DCM”) CORE PRINCIPLES

The Exchange has identified the following DCM Core Principles as potentially being impacted by the launch of the Event Contract: Core Principle 2 (Compliance with Rules), Core Principle 3 (Contracts Not Readily Subject to Manipulation), Core Principle 4 (Prevention of Market Disruption), Core Principle 5 (Position Limits), Core Principle 7 (Availability of General Information), Core Principle 8 (Daily Publication of Trading Information), Core Principle 9 (Execution of Transactions), Core Principle 10 (Trade Information), Core Principle 11 (Financial Integrity of Transactions), Core Principle 12 (Protection of Market and Market Participants), and Core Principle 18 (Recordkeeping).

A. Core Principle 2 Compliance with Rules

Core Principle 2 requires the DCM to have the capacity to detect, investigate, and apply appropriate sanctions to any person that violates any rule of the contract market. The Exchange has a dedicated Compliance/Regulatory staff that monitors the markets, investigates potential rule violations, and imposes sanctions against individuals who have been determined to have violated the Rules. The Exchange has an automated trade surveillance system, SCILA, which is capable of detecting potential trade practice violations, and also conducts real-time market monitoring of all trading activity in all Contracts, at all hours the Exchange is open. The Exchange is able to set the parameters by which the system detects potential issues. Chapter 9 of the Exchange Rulebook sets forth the Exchange’s authority to investigate and sanction Members for activity that violates the Exchange Rules. Exchange Rule 2.10 grants the Exchange jurisdiction over any Person initiating or executing a transaction on or subject to the Rules of the Exchange, either directly or through an intermediary, and any Person for whose benefit such transaction has been initiated or executed. The Exchange’s jurisdiction continues notwithstanding the termination of the Person’s Exchange Membership. Exchange Rule 3.3 requires all Trading Members and Authorized Traders to comply with the Exchange Rules and to cooperate with the Exchange promptly and fully in any investigation, call for information, inquiry, audit, examination or proceeding. Such cooperation may involve a request for the Member’s or Authorized Trader’s activity in the relevant Underlying. Accordingly, the listing of the Event Contract will not negatively impact the Exchange’s ability to comply with this Core Principle.

B. Core Principle 3 Contracts Not Readily Subject to Manipulation and Core Principle 4 Prevention of Market Disruption

Core Principles 3 and 4 (Contracts Not Readily Subject to Manipulation and Prevention of Market Disruption), implemented by Commission Regulations 38.200 and 38.250, require a DCM to list only contracts that are not readily susceptible to manipulation and to prevent market disruption. The Exchange has at least one existing Market Maker that has committed to providing liquidity in these contracts, which should limit opportunities for markets in the Event Contract to be manipulated. As previously stated, the Exchange also uses the SCILA surveillance system to

assist with market monitoring and has a staff dedicated to market surveillance to detect potential market manipulation.

The Exchange has dedicated staff to conduct surveillance of the market and uses the SCILA surveillance system to assist with market monitoring at all times the Event Contract will be listed.

The Exchange trading system has a cap-check feature that ensures a trader has sufficient funds in the account to fully collateralize the Order if executed before the Order is accepted by the Exchange. The Exchange also has the ability to block new Orders and/or cancel working Orders if necessary to prevent market disruption.

Additionally, Commission Regulation 38.256 requires a DCM to have the ability to comprehensively and accurately reconstruct all trading on its trading facility. The Exchange is currently able to reconstruct trading in its markets based on the data stored in the database, the SCILA surveillance system, as well as the Exchange log files. Trade data will continue to be stored in this same manner following the addition of the Event Contract.

C. Core Principle 5 Position Limits

Core Principle 5 requires the DCM set position limits or position accountability to reduce the potential threat of market manipulation or congestion. The Exchange has set the initial position limit for Trading Members at 250,000 Contracts. Market Makers will not be subject to the 250,000 Contract position limit in order to provide sufficient liquidity to the market. Market Makers will instead be subject to an Alternative Position Limit of 2,500,000 Contracts. A Market Maker taking advantage of the Alternative Position Limits must, within one business day following a request by the Exchange's Compliance Department, provide the Exchange Compliance Department with a trade register detailing all trading activity in any account owned or controlled by the Market Maker in the relevant Underlying during the 15 minutes immediately before and after any Expiration time identified by the Exchange's Compliance Department in the request.

D. Core Principle 7 Availability of General Information and Core Principle 8 Daily Publication of Information

Core Principles 7 and 8, implemented by Commission Regulations 38.400, 38.401, 38.450, and 38.451, require a DCM to make available to the public accurate information regarding the contract terms and conditions, as well as daily information on contracts such as settlement price, volume, open interest, and opening and closing ranges. The Exchange makes the Exchange Rulebook available on its website, as well as the Daily Bulletin which contains the preceding required information. The Results page on the website also publishes the Expiration Value and Settlement Value for all the Exchange contracts settled during that week. Contract specifications for the new Event Contracts will likewise be set forth in the Rulebook and on the Exchange website.

Settlement prices, volume, open interest, and opening and closing ranges for the Event Contract will be included on the Daily Bulletin and posted on the Exchange website.

E. Core Principle 9 Execution of Transactions

Core Principle 9 requires the DCM to provide a competitive, open, and efficient market and mechanism for executing transactions that protects the price discovery process. The Exchange has at least one dedicated Market Maker that has committed to pricing a two-sided market. Market participants are able to view the orderbook up to five layers deep (depending on the market activity at any particular time) on the platform. The Exchange displays the Time and Sales of all Contracts traded on the Exchange website which is updated every 15 minutes.

F. Core Principle 10 Trade Information

Core Principle 10 requires the DCM to maintain rules and procedures to provide for the recording and safe storage of all identifying trade information in a manner that enables the contract market to use the information to assist in the prevention of customer and market abuses and to evidence any violations of the Exchange Rules. The Exchange maintains an electronic audit trail as required by the Commission Regulations which enables the Exchange to review all activity on the Exchange.

G. Core Principle 11 Financial Integrity of Transactions

Core Principle 11 requires the DCM to establish and enforce rules and procedures for ensuring the financial integrity of transactions entered on the contract market. As with all Contracts offered on the Exchange, the Event Contract will be fully collateralized and Members entering a transaction will have knowledge of their maximum risk prior to executing a transaction. All transactions will be cleared by CDNA's registered derivatives clearing organization.

H. Core Principle 12 Protection of Markets and Market Participants

Core Principle 12 requires a DCM to protect markets and market participants from abusive practices committed by any party and to promote fair and equitable trading on the contract market. Chapter 5 of the Exchange Rulebook establishes Rules to protect the market and market participants from abusive, disruptive, fraudulent, noncompetitive, and unfair conduct and trade

practices. The Rules apply to all market participants and transactions on the Exchange, and participants will need to comply with the Rules when trading the Event Contract.

I. Core Principle 18 Recordkeeping

Finally, Core Principle 18, implemented by Commission Regulation 38.951, requires a DCM to maintain records of all activities relating to the business of the DCM, (i) in a form and manner that is acceptable to the Commission, and (ii) for a period of at least 5 years. A DCM must maintain such records in accordance with the applicable requirements of Commission Regulations.

DCM CORE PRINCIPLES

Core Principle Number	Core Principle Name	Addressed in or Not Applicable to Certification
1	Designation as Contract Market	Not applicable (designation granted)
2	Compliance with Rules	Addressed
3	Contracts Not Readily Subject to Manipulation	Addressed
4	Prevention of Market Disruption	Addressed
5	Position Limitations or Accountability	Addressed
6	Emergency Authority	Not applicable (see Exchange Rule 2.4 re: Emergency Rules)
7	Availability of General Information	Addressed
8	Daily Publication of Trading Information	Addressed
9	Execution of Transactions	Addressed
10	Trade Information	Addressed
11	Financial Integrity of Transactions	Addressed
12	Protection of Markets and Market Participants	Addressed
13	Disciplinary Procedures	Not applicable (see Chapter 9 of the Exchange Rulebook re: Rule Enforcement)
14	Dispute Resolution	Not applicable (see Exchange Rule 10.2–10.4 re: Arbitration)

15	Governance Fitness Standards	Not applicable (see Exchange Rule 2.2 re: Service Restrictions, and Rule 11.2 re: Service and Disciplinary History)
16	Conflicts of Interest	Not applicable (see Exchange Rule 2.6 re: Voting, Rule 2.9 re: Trading Limitations, Rule 11.1 re: Non-Public Information, and Rule 11.3 re: Voting)
17	Composition of Governing Boards of Contract Markets	Not applicable (internal review and appointment of directors)
18	Recordkeeping	Addressed
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