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December 23, 2022

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 Delists China 50 Binary 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” or the “Exchange”) hereby submits to the Commission its intent to delist its China 50 Binary Contracts. Specifically, Nadex will be delisting the following contracts:

RULE 12.57 CHINA 50 BINARY CONTRACTS

As §40.6(a) exempts the delisting of a product from the 10-day review period, Nadex will list the aforementioned contracts effective at the close of business on trade date Friday, December 23, 2022.

As of the close of business on December 23, 2022, all China 50 Binary Contracts will have expired and no open positions or working orders will exist in the Nadex market.

Amendments to the Rulebook to remove the relevant contract specifications have been outlined in Exhibit A. Specific amendments are set forth in Exhibit B. 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 events 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 M. Walsh
Head of Legal

EXHIBIT A

Rule	Asset	Duration/Close Time	Action	Effective Date
12.57	China 50 Binary Contracts	All Contracts	Delist contracts	COB December 23, 2022

EXHIBIT B

Amendment of Rules 12.57

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

RULES 1.1 – 12.56 [UNCHANGED]

RULE 12.57 [RESERVED] ~~CHINA 50 BINARY CONTRACTS~~

~~—(a) SCOPE—These Rules shall apply to the Class of Contracts referred to as the China 50 Binary Contracts issued by Nadex.~~

~~—(b) UNDERLYING—The Underlying for this Class of Contracts is the SGX[®] FTSE[®] Xinhua[®] China A50 Index Futures¹ contracts (“CHFC”) traded on the Singapore Exchange (SGX). The CHFC prices that will be used to calculate the Underlying will be taken from twelve (12) CHFC futures months: January, February, March, April, May, June, July, August, September, October, November, December (each a “CHFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the third Business Day prior to the last trading day of the Underlying futures contracts Expiration Date. For example, the SGX FTSE Xinhua China A50 Index March 2015 Futures has an Expiration Date of March 30, 2015. The last day on which the China A50 Index March 2015 Futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant China 50 Contracts will be the third Business Day prior to the China A50 Index Futures’ Expiration Date (i.e. March 30, 2015). Therefore, the End Date for using the China A50 Index March 2015 Futures will be March 25, 2015, and the Start Date for the next delivery month, China A50 Index April 2015 Futures, will be March 26, 2015.²~~

¹SGX[®] is a registered service mark of the Singapore Exchange Limited (“SGX”). All rights in the Trademarks and Futures Trading Data of SGX vest in Singapore Exchange Limited (“SGX”). The Nadex China 50 Binary Contract is not sponsored, endorsed, sold or promoted by SGX. SGX makes no representation or warranty, express or implied to the investors in the China 50 Binary Contract or any member of the public in any manner whatsoever regarding the advisability of investing in any financial product generally or in particular the China 50 Binary Contract. The relationship of SGX towards Nadex is in respect of licensing the use of the SGX FTSE Xinhua China A50 Index Futures Trading Data. SGX has no obligation to take the needs of the investors of the China 50 Binary Contract into consideration in determining, composing or calculating the SGX FTSE Xinhua China A50 Index Futures Trading Data. SGX is neither responsible for nor has participated in the structure of the China 50 Binary Contract. SGX has no obligation or liability in connection with the administration, marketing or trading of the China 50 Binary Contract. FTSE[®] is a trade mark jointly owned by the London Stock Exchange plc and the Financial Times Limited. Xinhua[®] is a registered mark of Xinhua Financial Limited.

²Weekly contracts listed on a Monday during a week containing an underlying futures rollover date will be listed using the underlying futures month scheduled to be used to determine the settlement value on the day the contract expires. For example, the last trading date for the SGX FTSE Xinhua China A50 Index Futures March 2015 contract is March 30, 2015. The last trading date the Nadex China 50 Binary Contract would be based on the underlying April 2015 contract month would be March 25, 2015, and the underlying futures month would roll to April 2015 for trade date March 26, 2015. March 26, 2015 is a Thursday, however, and any Nadex weekly contracts listed on this date and expiring on Friday, March 27, 2015, will be listed using the SGX FTSE Xinhua China A50 Index April 2015 Futures as its Underlying, as May is the futures month scheduled to be used to determine the Settlement Value of the Nadex weekly contract on its expiration date. Therefore, the first trading date for the Start Date for the SGX FTSE Xinhua China A50 Index Futures April 2015 futures contract will be Monday, March 23, 2015 for any Nadex weekly contracts listed on this date.

~~——(c) SOURCE AGENCY—The Source Agency is Nadex.~~

~~——(d) TYPE—The Type of Contract is a Binary Contract.~~

~~——(e) PAYOUT CRITERION—The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the China 50 Binary Contract, the Payout Criteria for the Contracts will be set as follows:~~

~~(i) WEEKLY CHINA 50 BINARY CONTRACTS~~

- ~~(1) EXPIRATION TIME—2:55AM ET CLOSE³~~
- ~~(2) STRIKE INTERVAL WIDTH—The interval width between each strike level shall be 200.~~
- ~~(3) NUMBER OF STRIKE LEVELS LISTED—Thirteen (13) strike levels will be listed for the Weekly China 50 Binary Contract Series.~~
- ~~(4) STRIKE LEVELS GENERATED—Strike levels will be generated such that Binary Contract “W” is valued ‘at the money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 25 or 75 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract W at an interval of 200, and six (6) strike levels will be generated below Binary Contract W at an interval of 200 (e.g. W—200; W; W+200). The Contract will have a Payout Criterion of greater than the strike level value.~~

~~(ii) DAILY CHINA 50 BINARY CONTRACTS~~

- ~~(1) EXPIRATION TIME—2:55AM ET CLOSE⁴~~
- ~~(1) STRIKE INTERVAL WIDTH—The interval width between each strike level shall be 40.~~
- ~~(2) NUMBER OF STRIKE LEVELS LISTED—Fifteen (15) strike levels will be listed for the Daily China 50 Binary Contract Series.~~
- ~~(3) STRIKE LEVELS GENERATED—Strike levels will be generated such that Binary Contract “X” is valued ‘at the money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 10 as reported by the Source Agency. Seven (7) strike levels will be generated above Binary Contract X at an interval of 40, and seven (7) strike levels~~

³ During the period when the US observes daylight savings time, Weekly China 50 Binary Contracts will open and close 1 hour later than their regular defined times.

⁴ During the period when the US observes daylight savings time, Daily China 50 Binary Contracts will open and close 1 hour later than their regular defined times.

will be generated below Binary Contract X at an interval of 40 (e.g. X-40; X; X+40). The Contract will have a Payout Criterion of greater than the strike level value.

~~(iii) Nadex may list additional China 50 Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.~~

~~(f) MINIMUM TICK—The Minimum Tick size for the China 50 Binary Contracts shall be \$0.25.~~

~~(g) POSITION LIMIT—The Position Limit for the China 50 Binary Contracts shall be 2,500 Contracts per Class.~~

~~(h) MARKET MAKER ALTERNATIVE POSITION LIMIT—The Position Limit for the China 50 Binary Contracts for contracted Market Makers shall be 5,000 Contracts per strike level.~~

~~(i) LAST TRADING DATE—The Last Trading Date in a Series is the same date as the Expiration Date.~~

~~(j) SETTLEMENT DATE—The Settlement Date in a Series is the same date as the Expiration Date.~~

~~(k) EXPIRATION DATE—The Expiration Date of the Contract will be the date on which the China 50 Expiration Value is released by the Source Agency.~~

~~(l) SETTLEMENT VALUE—The Settlement Value is the amount paid to the holder of the in-the-money Contract on the Settlement Date. The Settlement Value of an in-the-money China 50 Binary Contract is \$100.~~

~~(m) EXPIRATION VALUE—The Expiration Value is the price or value of China 50 released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all CHFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the China 50 Variable Contract, provided at least twenty five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of CHFC trade prices and the lowest twenty (20) percent of CHFC trade prices from the data set⁵, and using the remaining CHFC trade prices to calculate the Expiration Value. The calculation used is a simple average of the remaining CHFC 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) CHFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the China 50 Variable Contract, the Expiration Value is calculated by the Source Agency by taking~~

⁵ 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.

~~the last twenty five (25) CHFC trade prices just prior to the close of trading of the China 50 Variable Contract removing the highest five (5) CHFC trade prices and the lowest five (5) CHFC trade prices, and using the remaining fifteen (15) CHFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) CHFC trade prices, rounded to one decimal point past the precision of the underlying market.~~

~~———— (n) CONTINGENCIES ——— If no daily settlement price of the relevant CHFC is announced by the Source Agency, the Settlement Date will be delayed until such settlement price for that Series is released and publicly available.~~

RULES 12.58 – 12.65 [UNCHANGED]

End of Rulebook.

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