



January 3, 2024

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 Extends Market Maker Program - 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”) d/b/a crypto.com | Derivatives North America (the “Exchange”) hereby submits to the Commission its intent continue its ongoing Market Maker Program (“Program”) through the 2024 year.

Nadex has identified the following Designated Contract Market (“DCM”) Core Principles as potentially being impacted by the amendments discussed herein: Core Principle 2 (Compliance with Rules), Core Principle 4 (Prevention of Market Disruption), Core Principle 7 (Availability of General Information), Core Principle 9 (Execution of Transactions), Core Principle 12 (Protection of Market Participants).

Core Principle 2 (Compliance with Rules), implemented by Commission Regulation 38.151 (Access Requirements) requires the DCM provide impartial access to its markets to any of its members or market participants. The Market Maker Program is available to qualifying participants who meet the Exchange’s Membership requirements and who are able to comply with the terms of the Market Maker Agreement.

Core Principle 4 (Prevention of Market Disruption), implemented by Commission Regulation 38.251, requires the DCM to conduct real-time monitoring of trading and market conditions to detect and prevent manipulative activity and market anomalies, among other things. The Exchange has dedicated market regulation staff and an automated surveillance system to monitor all markets in real-time. The surveillance system not only monitors for abnormal market conditions, market abuse, and potential manipulative activity, but also

monitors Market Makers' activity for compliance with the quoting parameters of the Market Maker Agreement.

Core Principle 7 (Availability of General Information), implemented by Commission Regulations 38.400 and 38.401, requires the DCM to make its Rules, including material terms of its Market Maker Program, available on its website. The Nadex Market Maker Agreement is available on the Nadex website on the Rules page.

Core Principle 9 (Execution of Transactions), implemented by Commission Regulation 38.500, requires the DCM to provide a competitive, open, and efficient market and mechanism for executing transactions that protects the price discovery process of trading in the centralized market of the board of trade. The Program facilitates an open, competitive, and efficient market by providing liquidity and a robust market for all Nadex Members to trade, which minimizes the potential for manipulative activity by individual participants.

Core Principle 12 (Protection of Market Participants), implemented by Commission Regulation 38.651, requires the DCM to have and enforce rules that are designed to promote fair and equitable trading and to protect the market and market participants from abusive practices including fraudulent, noncompetitive or unfair actions, committed by any party. All Members, including Market Makers, agree to comply with the Nadex Rules and consent to Nadex's jurisdiction. Nadex Rule 5.19 prohibits participants from engaging in abusive practices including fraudulent, noncompetitive or unfair actions.

Based on the above explanations, Nadex's continuing Market Maker Program will not negatively impact the Exchange's ability to comply with the Core Principles.

Attached is Exhibit A which contains the Market Maker Agreement and a public version of Appendix A to the Market Maker Agreement.

Nadex hereby certifies that the Program complies 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 a copy of the Market Maker Agreement and this self-certification was posted on its website at the time of this filing.

In accordance with the 10-day review period set forth in Commission Regulation 40.6(a)(3), this filing will be effective on January 18, 2024.

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,

Kevin J. Dan

Kevin J. Dan
Chief Compliance Officer
Chief Regulatory Officer