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May 16, 2016

**VIA PORTAL**

Commodity Futures Trading Commission  
Attention: Christopher Kirkpatrick, Secretary  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

**Re: CFTC Regulation 40.6(a) Certification: Submission of Amendment to the Nodal Exchange Rulebook**

Dear Mr. Kirkpatrick:

Nodal Exchange, LLC (“Nodal Exchange” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying amendments to the Nodal Exchange Rulebook (“Rules”) pursuant to Commission Regulation 40.6(a). The Exchange is amending Rule 3.4.1 *Minimum Financial, Segregation and Related Reporting Requirements* and Rule 3.11 *Account Administrators* which are attached hereto and indicate the specific text in red that is being amended. The Exchange intends to implement the amended Rules in 10 business days on May 31, 2016.

Rule 3.4.1 describes the minimum financial requirements a Nodal Participant must maintain if it is not registered with the CFTC as an FCM. Rule 3.4.1 is being amended to broaden the options for a Participant to meet the minimum financial requirements. The amendments allow Rule 3.4.1 to better align with the requirements of an Eligible Contract Participant as set forth in Section 1a(18) of the CEA and in the CFTC Regulations.

Rule 3.11 explains the role and privileges of Account Administrators on the Exchange. Rule 3.11 is being amended in order to distinguish between two Account Administrator roles on the Exchange. The Exchange requires the Participant to appoint at least one Account Administrator, the Level 1 Account Administrator, who shall be responsible for monitoring access on the Exchange and may have trading privileges. Additionally, Rule 3.11 is being amended to explain that the Level 2 Account Administrator is designed for risk management, audit or other back-office purposes. Level 2 Account Administrators do not have trading privileges on the Exchange.

Exchange management has assessed the amendments to the Rules, and their compliance with applicable provisions of the Commodity Exchange Act (“Act”), including the

Commissions Regulations and the Core Principles. Nodal Exchange has identified that the amendments may affect the following Core Principles as follows:

Core Principle 2 - Compliance with the Rules: Consistent with the Exchange's Rules, these amendments to the Rules provide additional information to ensure compliance with Exchange Rules. The amendments to Rule 3.4.1 enumerating the minimum financial requirements for eligibility as a Participant. The amendments to Rule 3.11 establish Exchange access criteria that are impartial, transparent, and applied in a non-discriminatory manner. The distinction between two types of Account Administrators provides clarity for compliance with the Rules.

Core Principle 7 – Availability of General Information: The amendments to Rule 3.4.1 ensure Participants meet the definition of an Eligible Contract Participant in order to ensure compliance with Exchange Rules. The amendments to Rule 3.11 restricting trading privileges to a specific type of Account Administrator provide Participants a mechanism for executing transactions on or through the facilities of the Exchange in order to ensure compliance with Exchange Rules.

Core Principle 11 – Financial Integrity of Transactions: The amendments to Rule 3.4.1 establish the financial criteria of Participants executing transactions that are subject to the Rules of the Exchange. The minimum financial requirements of a Participant enumerated in Rule 3.4.1 ensure the financial integrity of transactions entered into on or through the Exchange.

Pursuant to Section 5c(c) of the Act and the Commission's Regulation 40.6, the Exchange certifies that amended Rules comply with the Act and the Commission's Regulations thereunder. There have not been any opposing views expressed regarding the amendments to the Rules.

Nodal Exchange certifies that this submission has been concurrently posted on the Nodal Exchange website at [www.nodalexchange.com](http://www.nodalexchange.com).

If you have any question or need additional information regarding this submission, please contact me at 703-962-9853 or [Markotic@nodalexchange.com](mailto:Markotic@nodalexchange.com).

Sincerely,

/s/ Max Markotic  
Compliance Manager

Attachment:

Redline of Nodal Exchange Rule 3.4.1  
Redline of Nodal Exchange Rule 3.11

16-014