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March 23, 2017

**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 Amendments 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 5.2 *Clearing Members*, which is attached hereto and indicates the specific text in red that is being amended. The Exchange intends to implement the amended Rules in 10 business days on April 6, 2017.

Rule 5.2 explains the function of the clearing member with regards to Exchange participants. To access the Exchange, a qualified participant must either be a clearing member of Nodal Clear or have an agreement with a Nodal Clear clearing member that is also registered as a futures commission merchant (“FCM”) to guarantee the participant’s Exchange transactions for clearing purposes. With this submission, Rule 5.2.1 is being expanded to further explain that participants that are clearing members of Nodal Clear have direct trading access granted by the Exchange. For all other participants, the authorization for direct access to trade on the Exchange is obtained through the agreement with the FCM that guarantees its trades. The FCM clearing member independently determines the trade risk limits, which is the process for authorizing direct access to trade on the Exchange. The FCM clearing member retains the right to suspend trading privileges at any time without regard to the Exchange’s disciplinary procedures (See Rule 5.2.4). Although the Exchange does not recognize membership or levels of participation, the Exchange recognizes that participants that are also clearing members of Nodal Clear have trading privileges and could be deemed Nodal Exchange “members” as defined in Regulation 1.3(q). However, Exchange participants that establish a clearing relationship with an FCM, have direct access that is controlled by the FCM clearing member and accordingly, would not be deemed “members” of 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: The amendments to the Rules provide clarity and consistency with the CFTC Regulations in order that Exchange participants may effectively comply with the Rules.

Add Core Principle 7 – Availability of General Information: The amended Rules will be posted on the Nodal Exchange website ([www.nodalexchange.com](http://www.nodalexchange.com)).

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 703-962-9835 or [Herrera@nodalexchange.com](mailto:Herrera@nodalexchange.com).

Sincerely,

/s/ Anita Herrera

General Counsel and Chief Regulatory Officer

Attachment:

Redline of Nodal Exchange Rule 5.2