



December 19, 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: Certification of Commercial Economic Event Contract (Title Event) - 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 December 23, 2024.

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 broad and varying economic and commercial impacts of an association's final title event. An association's final title event not only determines which association participant is the tile holder of a given association, more importantly title events are massive commercial, entertainment and economic events that have substantial impact on businesses and individuals throughout America depending on many factors. Further, such events are a culmination of a series of events throughout an association's season. 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.¹ Price bands will apply so that the Contract may only be listed at increments of at least \$0.25 and at most \$99.75. The Contract has a notional value of \$100 and a minimum price fluctuation of \$0.25 to align with other CDNA contracts.

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" (please see Exhibit A for the conditions upon which 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 regarding the timing of the determination of the event.

¹ See e.g., Rule Certification: Nadex Lists New Event Binary Contracts – Submission Pursuant to Commission Regulation §40.2(a), Nov. 26, 2021, available at: <https://www.cftc.gov/IndustryOversight/IndustryFilings/TradingOrganizationProducts/47219>.

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 December 23, 2024.

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, which addresses each applicable Core Principle, 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 13.28. Capitalized terms not defined herein shall have the meaning set forth in the Rulebook.

13.28 ECONOMIC AND COMMERCIAL EVENT CONTRACT - TITLE EVENT

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Economic and Commercial Event Contract - Title Event, a type of “Event Contract” listed by the Exchange.

(b) UNDERLYING – The Underlying for this Contract is the Association Participant that is a title holder for the association title event (the “Title Event”) for a given Calendar Year, as published by the Source Agency on the Expiration Date.

- (i) Association Participant: refers to any of the association participants in a given association (“Association”), such as the National Football League, the National Hockey League and the National Collegiate Athletic Association.
- (ii) Calendar Year: refers to the calendar year in which the Association's title matchup takes place.

(c) SOURCE AGENCY – The Source Agency is the final result of the Title Event reported by AP News or as a back-up Source Agency, any U.S. national news provider as published on the Trading System.

(d) TYPE – The Type of Contract is an Event Contract, which is a Swap.

(e) PAYMENT CRITERION – The Payment Criterion for the Contract encompasses the Expiration Value where the title holder is determined by the outcome of the Title Event, as published by the Source Agency on the Expiration Date. Association Participant will have the value set forth on the Trading System.

(f) MINIMUM TICK – The Minimum Tick size for the Event Contract shall be \$0.25.

(g) POSITION LIMIT – The Position Limit for the Event Contract shall be 2,500 Contracts, or as updated on the Exchange’s website or Trading System.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for Market Makers shall be 250,000 Contracts, or as updated on the Exchange’s website or Trading System.

(i) LAST TRADING DATE – The Last Trading Date is the same as the Expiration Date, and the Last Trading Time is the same as the Expiration Time. No trading in the Event Contract shall occur after its Last Trading Date and Time.

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

(k) EXPIRATION DATE – The Expiration Date of the Event Contract will be the date on which the Title Event is held. The Expiration Date will be adjusted if a Association Participant is eliminated from being eligible to play in the Title Event.

(l) EXPIRATION TIME – The Expiration Time of the Event Contract will be the start time of the Title Event. The Expiration Time will be adjusted if an association participant is eliminated from being eligible to play in the Title Event.

(m) 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 is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the value of the Underlying as documented by the Source Agency on the Expiration Date at the Expiration Time.

(o) CONTINGENCIES – If the Source Agency does not actually announce the outcome on or before the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying outcome is released.

(p) TRADING PROHIBITIONS – Certain individuals are prohibited from trading the Event Contract. Those persons include:

- Current and former Association players, coaches, and staff.
- Paid employees and management of the Associations and Association Participants.
- Owners of the Associations and Association Participants.
- Household members and immediate family members (siblings, children, and parents) of any of the above.

(q) TEMPORARY MARKET SUSPENSIONS – The Event Contract market will be temporarily suspended beginning approximately 60 seconds prior to the official start time of any event that is used to determine the eligible Association Participants for the Title Event involving the respective Association Participant or as set forth in the Trading System. The official start time of the event that is used to determine the eligible Association Participants for the Title Event will be based on the value as documented by the Source Agency. During this temporary suspension, no new orders or trades will be accepted on the Exchange for the relevant Event Contract. No later than 24 hours after the conclusion of any event that is used to determine the eligible

Association Participants for the Title Event, the Event Contract market will either resume trading or expire based on the value of the Underlying as documented by the Source Agency on the Expiration Date at the Expiration Time.

Note:

The Event Contract has not been endorsed by any Association or any Association Participant that is part of the NFL, the NHL or the NCAA. The use of the terms NFL, NHL, NCAA and any Association Participant names does not indicate an endorsement of this product.

EXHIBIT B

**COMPLIANCE WITH APPLICABLE PROVISIONS OF THE ACT AND COMMISSION
REGULATIONS THEREUNDER**

[REDACTED]