

January 11, 2021

VIA CFTC PORTAL

Commodity Futures Trading Commission
Attention: Chris Kirkpatrick, Secretary
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: CFTC Regulation 40.6(a) Certification: Various Amendments to Nodal Clear Rules to Address Amendments to Part 39 of the Commission's Regulations

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission ("Commission" or "CFTC") Regulation 40.6(a), Nodal Clear, LLC ("Nodal Clear" or "Clearing House") hereby notifies the Commission that it is self-certifying amendments to various Nodal Clear Rules, specifically the Nodal Clear Enterprise Risk Management Framework, the Nodal Clear Compliance Manual, the Nodal Clear Risk Policies, the Nodal Clear Default Management Plan, and the Nodal Clear LLC Agreement (collectively, the "Rule Amendments"). The Rule Amendments are attached hereto and indicate the specific text that is being amended, where applicable. The Rule Amendments shall become effective on January 27, 2021.

On January 27, 2020, the Commission published final rules, entitled Derivatives Clearing Organization General Provisions and Core Principles,¹ amending certain regulations applicable to registered derivatives clearing organizations, such as Nodal Clear (the "DCO Regulation Amendments").² The Rule Amendments are intended to reflect the requirements of the DCO Regulation Amendments. Specifically:

- Nodal Clear is adopting the Nodal Clear Enterprise Risk Management Framework in order to comply with DCO Regulation Amendments to Commission Regulations 39.2 and 39.10(d).
- Nodal Clear is revising the Nodal Clear Compliance Manual in order to address DCO Regulation Amendments to Commission Regulations 39.2, 39.10(c)(3),(4), 39.13(h)(5)(ii), 39.19(c)(4), and 39.27(c)(3).
- Nodal Clear is revising the Nodal Clear Risk Policies in order to address DCO Regulation Amendments to Commission Regulations 39.11(c)(2), 39.13(g)(3), and 39.36(d).
- Nodal Clear is revising the Nodal Clear Default Management Plan in order to address DCO Regulation Amendments to Commission Regulation 39.16(b).
- Nodal Clear is revising the Nodal Clear LLC Agreement in order to address DCO Regulation Amendments to Commission Regulation 39.26.

Nodal Clear management has assessed the Rule Amendments and their compliance with applicable provisions of the Commodity Exchange Act ("CEA"), including the Commission's Regulations and DCO Core Principles. Nodal Clear has identified that the Rule Amendments may have some bearing on the following Core Principles:

Core Principle A – Compliance: The Rule Amendments will not impair Nodal Clear's ability to comply with each of the Core Principles. In fact, the rule amendments are intended to enhance Nodal Clear's compliance with the Core Principles and the associated Commission regulations.

¹ 85 Fed. Reg. 4800 (January 27, 2020).

² The DCO Regulation Amendments have an effective date of February 26, 2020, and a compliance date of January 27, 2021.

Core Principle B – Financial Resources: The Rule Amendments will not impact Nodal Clear's ability to discharge its financial, operational, or managerial responsibilities as a DCO.

Core Principle D – Risk Management: The Rule Amendments continue to ensure Nodal Clear's ability to manage the risks associated with discharging the responsibilities of a DCO.

Core Principle G – Default Rules and Procedures: The Rule Amendments reflect changes made to Commission regulations designed for the efficient, fair, and safe management of defaults.

Core Principle J – Reporting: The Rule Amendments reflect changes made to Commission regulations designed to provide for the reporting of information to the Commission.

Core Principle Q – Composition of Governing Boards: The Rule Amendments reflect changes made to Commission regulations designed to implement Core Principle Q.

Core Principle R – Legal Risk: The Rule Amendments reflect changes made to Commission regulations designed to address legal risk.

Pursuant to Section 5c(c)(1) of the CEA and the Commission's Regulation 40.6(a), Nodal Clear certifies that the Rule Amendments comply with the CEA and the Commission's regulations thereunder. Nodal Clear is not aware of any opposing views expressed regarding the Rule Amendments. Nodal Clear certifies that this submission has been concurrently posted on the Nodal Clear website at www.nodalclear.com.

If you have any questions or need additional information regarding this submission, please contact me at 703-962-9864 or alvarez@nodalexchange.com.

Sincerely,

/s/Cody Alvarez

Cody Alvarez
Chief Compliance Officer
Corporate Counsel

Attachments:

- Nodal Clear Enterprise Risk Management Framework (confidential treatment requested)
- Nodal Clear Compliance Manual redline (confidential treatment requested)
- Nodal Clear Risk Policies redline (confidential treatment requested)
- Nodal Clear Default Management Plan redline (confidential treatment requested)
- Nodal Clear LLC Agreement redline