

July 1, 2025

**VIA CFTC PORTAL**

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

**Re: CFTC Regulation 40.6(a) Certification: Amendments to Nodal Clear Rules**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission ("Commission" or "CFTC") Regulation 40.6(a), Nodal Clear, LLC ("Nodal Clear" or the "Clearing House") hereby notifies the Commission that it is self-certifying amendments to the Nodal Clear Rulebook (the "Rule Amendments").<sup>1</sup> The Rule Amendments are attached hereto and indicate the specific text that is being amended. The Rule Amendments shall become effective on July 16, 2025.

**Overview**

Nodal Clear proposes to adopt Rule Amendments that:

- (i) provide a definition of Outstanding Exposure to capture cash flows that are currently part of the settlement process (i.e., option premiums and Physically Settled Exchange Contract delivery value) as well as cash flows associated with perpetual-style futures (i.e., cash adjustments);
- (ii) update Nodal Clear Rules 3.22 and 3.23 to describe a settlement process where Outstanding Exposure is being collected/paid each settlement cycle; and
- (iii) revise and add definitions associated with the Rule Amendments, provide for various other clarifications, typographical corrections, and conforming changes.

**Explanation**

Nodal Clear provides clearing services to Coinbase Derivatives, LLC, which intends to make certain perpetual-style futures available for trading. Perpetual-style futures are intended to provide investors with the ability to gain exposure to a futures price that closely tracks the spot price of the underlying cryptocurrency. This close tracking is achieved through a funding payment mechanism, which credits/debits a position depending on whether the futures price is above / below the spot price (i.e., cash adjustments). These cash adjustments represent a new cash flow that Nodal Clear will collect/pay along with the variation margin, option premium, and delivery value payments it currently collects during the midday and end-of-day margin cycles.

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<sup>1</sup> Capitalized terms not defined herein have the meaning set forth in the Nodal Clear Rulebook.

### **Analysis of the Rule Amendments under DCO Core Principles**

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 B – Financial Resources: Nodal Clear will continue to maintain adequate financial resources to discharge its responsibilities.

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 E – Settlement Procedures: Nodal Clear will continue to complete two margin settlements each Business Day.

Core Principle L – Public Information: As required by Core Principle L, Nodal Clear is publicly posting this self-certification letter on its website to ensure that market participants receive advance notice of the updated Nodal Clear Rules. On the effective date of the Rule Amendments, the updated Nodal Clear Rules will be posted on the Nodal Clear website.

Pursuant to Section 5c(c)(1) of the CEA and Commission 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](http://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](mailto:alvarez@nodalexchange.com).

Sincerely,

/s/Cody Alvarez

Cody Alvarez  
Chief Compliance Officer  
Corporate Counsel

Attachments:  
Rule Amendments (Redline)