**Rule Self-Certification**

January 22, 2016

Christopher J. Kirkpatrick

Office of the Secretariat

Commodity Futures Trading Commission

Three Lafayette Center

1155 21st Street, NW

Washington, DC 20581

Re: **Regulation §40.6 Submission Certification**

**Market Maker Program**

**Reference File: SR-NFX-2016-11**

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Section 40.6 of the Commission’s regulations thereunder, NASDAQ Futures, Inc. (“NFX” or “Exchange”) submits this self-certification to amend the market maker program (the “Energy DMM Program”) for certain energy contracts that the Exchange has listed, more specifically, to include the fifteen financially settled energy futures products filed under filing SR-NFX-2016-07 (the “New Contracts”) under the Energy DMM Program. The amendments to the current Energy DMM Program are set forth in Exhibit A and will be implemented on February 8, 2016 and will continue until the Energy DMM Program expires on April 24, 2016.

Participants in the Energy DMM Program have been selected by Exchange staff using the process described in the Designated Market Maker Solicitation for Appointment in Energy Futures and Options Products (the “Solicitation”), previously filed with the Commission.[[1]](#footnote-1) NFX selected around 20 Designated Market Makers (“DMMs”) for the Program from among the Futures Participants and Authorized Customers who submitted proposals in response to the Solicitation, with a view to having up to 25 DMMs participating at any particular time. The basic terms and conditions of the Energy DMM Program are attached hereto as Exhibit A. The confidential details of the Energy DMM Program are set forth in Confidential Appendix 1, attached under separate cover.

The Exchange believes that the Energy DMM Program complies with Core Principle 4 (Monitoring of Trading), Core Principle 9 (Execution of Transactions) and Core Principle 12 (Protection of Market Participants). The Energy DMM Program will not impact order execution priority or otherwise give participants any execution preference or advantage. The Energy DMM Program will not impact the Exchange’s ability to perform its trade practice and market surveillance obligations under the Act and Exchange staff will monitor trading in the Energy DMM Program’s products to prevent manipulative trading and market abuse. Additionally, the Exchange has systems to track Energy DMM Program participants’ volume to ensure proper distribution of earned incentives. Finally, NFX rules include prohibitions against fraudulent, non-competitive, unfair or abusive practices.

There were no opposing views among the NFX’s Board of Directors, members or market participants. The Exchange hereby certifies that the Energy DMM Program complies with the Commodity Exchange Act and regulations thereunder. The Exchange also certifies that notice of pending certification and a copy of this submission have been concurrently posted on the Exchange’s website at <http://business.nasdaq.com/nasdaq-futures/nfx-market>.

If you require any additional information regarding the submission, please contact Stephen Matthews at (301) 978-8458 or via e-mail at steve.matthews@nasdaq.com. Please reference SR-NFX-2016-11 in any related correspondence.

Regards,

Daniel R. Carrigan

President

Attachments:

Exhibit A

Confidential Appendix 1 (attached under separate cover)

**Exhibit A**

*New text is underlined; deleted text is stricken*

**NFX Energy DMM Program**

**Program Purpose**

The purpose of the NFX Energy DMM Program (the “Energy DMM Program”) is to incentivize market makers selected by NFX (“DMMs”) to provide liquidity in the products and combinations listed below. The resulting additional liquidity should benefit all participants in the market.

**Product Scope**

NFX Options on NFX Brent Crude Financial Futures (BCQ)

NFX Brent Crude Financial Futures (BFQ)

NFX WTI Crude Oil Penultimate Financial Futures (TQ)

NFX Low Sulphur Gasoil Financial Futures (GOQ)

NFX Henry Hub Natural Gas Financial Futures – 10,000 (HHQ)

NFX Heating Oil Penultimate Financial Futures (OQ)

NFX Options on NFX Henry Hub Penultimate Financial Futures – 10,000 (LNQ)

NFX Options on NFX WTI Crude Oil Penultimate Financial Futures (TOQ)

NFX Henry Hub Natural Gas Financial Futures – 2,500 (NNQ)

NFX RBOB Gasoline Penultimate Financial Futures (RQ)

NFX CAISO NP-15 Hub Day-Ahead Off-Peak Financial Futures (ONPQ)

NFX CAISO NP-15 Hub Day-Ahead Peak Financial Futures (NPMQ)

NFX CAISO SP-15 Hub Day-Ahead Off-Peak Financial Futures (OFPQ)

NFX CAISO SP-15 Hub Day-Ahead Peak Financial Futures (SPMQ)

NFX ISO-NE Massachusetts Hub Day-Ahead Off-Peak Financial Futures (NOPQ)

NFX ISO-NE Massachusetts Hub Day-Ahead Peak Financial Futures (NEPQ)

NFX MISO Indiana Hub Real-Time Off-Peak Financial Futures (CPOQ)

NFX MISO Indiana Hub Real-Time Peak Financial Futures (CINQ)

NFX PJM AEP Dayton Hub Real-Time Off-Peak Financial Futures (AODQ)

NFX PJM AEP Dayton Hub Real-Time Peak Financial Futures (MSOQ)

NFX PJM Northern Illinois Hub Real-Time Off-Peak Financial Futures (NIOQ)

NFX PJM Northern Illinois Hub Real-Time Peak Financial Futures (PNLQ)

NFX PJM Western Hub Day-Ahead Off-Peak Financial Futures (PJDQ)

NFX PJM Western Hub Day-Ahead Peak Financial Futures (PJCQ)

NFX PJM Western Hub Real-Time Off-Peak Financial Futures (OPJQ)

NFX PJM Western Hub Real-Time Peak Financial Futures (PJMQ)

NFX CAISO NP-15 Hub Day-Ahead Peak Mini Financial Futures – 5 MW (NPNQ)

NFX CAISO NP-15 Hub Day-Ahead Peak Mini Financial Futures – 1 MW (NPPQ)

NFX CAISO SP-15 Hub Day-Ahead Peak Mini Financial Futures – 5 MW (SPZQ)

NFX CAISO SP-15 Hub Day-Ahead Peak Mini Financial Futures – 1 MW (SPVQ)

NFX ISO-NE Massachusetts Hub Day-Ahead Peak Mini Financial Futures – 5 MW (NMMQ)

NFX ISO-NE Massachusetts Hub Day-Ahead Peak Mini Financial Futures – 1 MW (NEMQ)

NFX MISO Indiana Hub Real-Time Peak Mini Financial Futures – 5 MW (MCHQ)

NFX MISO Indiana Hub Real-Time Peak Mini Financial Futures – 1 MW (MCGQ)

NFX PJM AEP Dayton Hub Real-Time Peak Mini Financial Futures – 5 MW (MSSQ)

NFX PJM AEP Dayton Hub Real-Time Peak Mini Financial Futures – 1 MW (MSTQ)

NFX PJM Northern Illinois Hub Real-Time Peak Mini Financial Futures – 5 MW (PNQQ)

NFX PJM Northern Illinois Hub Real-Time Peak Mini Financial Futures – 1 MW (PNPQ)

NFX PJM Western Hub Real-Time Off-Peak Mini Financial Futures (OPKQ)

NFX PJM Western Hub Real-Time Peak Mini Financial Futures – 5 MW (PMJQ)

NFX PJM Western Hub Real-Time Peak Mini Financial Futures – 1 MW (PMIQ)

(collectively, the “Products”)

and the following combinations:

TQ/RQ

OQ/GOQ

BFQ/GOQ

BFQ/OQ

BFQ/RQ

TQ/BFQ

TQ/OQ

**Eligible Participants**

NFX has selected DMMs from among those applicants responding to NFX’s *“Designated Market Maker Solicitation for Appointment in Energy Futures and Options Products”* (the “Solicitation”) previously filed with the Commodity Futures Trading Commission (see SR-NFX-2015-15, filed April 2, 2015) and posted on NFX’s website. In the Solicitation, NFX invited Futures Participants and Authorized Customers to apply for DMM appointments.

**Program Term**

The Energy DMM Program will expire on April 24, 2016.

**Obligations**

DMMs’ specific quoting and size obligations are set forth in individual agreements with NFX.

**Incentives**

DMMs may receive monthly incentive payments from the Exchange pursuant to the terms of their individual agreements with NFX.

**Monitoring and Termination of Status**

NFX shall monitor trading activity and each DMM’s performance and shall retain the right to revoke Energy DMM Program participant status if it concludes after review that a participant has failed to meet its obligations or no longer meets the eligibility requirements of the Energy DMM Program.

1. See SR-NFX-2015-15, filed April 2, 2015. [↑](#footnote-ref-1)