



Rule Self-Certification

April 8, 2015

VIA ELECTRONIC PORTAL

Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, N.W.
Washington, DC 20581

Re: **Regulation §40.6 Submission Certification**
Large Trader, Ownership/Control Reports and Open Interest Data
Reference File: SR-NFX-2015-18

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Section 40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission under the Act, NASDAQ Futures, Inc. (“NFX” or “Exchange”) adopts guidance related to large trader, ownership/control (“OCR”) and open interest data reporting in the form of a Futures Regulatory Alert. The Futures Regulatory Alert containing the guidance is set forth in Exhibit A. The Futures Regulatory Alert would be issued on April 23, 2015, the date of implementation.

The Exchange will issue a Futures Regulatory Alert providing participants with guidance on NFX Rules relating to certain types of reporting. The Exchange’s alert contains reporting information pertaining to the submission of large trader, open interest and OCR reports. The Exchange desires to provide guidance to Futures Participants and Clearing Futures Participants with respect to reporting requirements.

With respect to the designated contract market core principles (“Core Principles”) as set forth in the Act:

- *Compliance with Rules:* Today the Exchange has in place Rules which describe the manner in which Futures Participants may access and trade on NFX. Chapter II, Section I provides for the qualifications and rules of participation applicable to Futures

Participants as well as Authorized Traders. Chapter V, Section 18 describes prohibited activities with respect to the Trading System. Trading is subject to the Rules at Chapter III of the Exchange's Rulebook, which include prohibitions against fraudulent, noncompetitive, unfair and abusive practices. Additionally, trading is subject to the trading procedures and standards in Chapter V of the Rulebook. The Exchange's disciplinary Rules are contained in Chapter VI of the Rulebook.

- *Prevention of Market Disruption:* The Exchange's Regulatory Department, which handles real-time surveillance, monitors trading activity on the Exchange with a SMARTS Surveillance Application through which the Exchange can track activity of specific Authorized Traders, monitor price and volume information and receive alerts regarding market messages. The Exchange's Regulatory Department, which handles real-time surveillance in conjunction with staff that handles T+1 surveillance, utilizes data collected by the SMARTS Surveillance Application to monitor price movements, as well as market conditions and volumes to detect suspicious activity such as manipulation, disruptive trading and other abnormal market activity.

- *Availability of Contract Information.* The Exchange has indicated within its trading Rules where specific information relates to a particular Contract. The Exchange will post the terms and conditions of Exchange Contracts in its Rulebook along with trading Rules.


- *Protection of market participants.* Chapter III of the Exchange's Rulebook contains prohibitions precluding intermediaries from disadvantaging their customers. These rules apply to trading in all Contracts.

There were no opposing views among the Exchange's Board of Directors, members or market participants. The Exchange hereby certifies that the reporting Guidance in the form of a Futures Regulatory Alert complies with the Commodity Exchange Act and regulations thereunder. The Exchange also certifies that a notice of pending certification with the Commission and a copy of this submission have been concurrently posted on the Exchange's website at <http://www.nasdaqomx.com/transactions/markets/nasdaq-futures>.

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If you require any additional information regarding the submission, please contact Angela S. Dunn at +1 215 496 5692 or via e-mail at angela.dunn@nasdaq.com. Please reference SR-NFX-2015-18 in any related correspondence.

Regards,

A handwritten signature in black ink that reads "Daniel R Carrigan". The signature is written in a cursive, flowing style.

Daniel R. Carrigan
President

cc: National Futures Association

Exhibit A

Futures Regulatory Alert #2015 - XX

Daily Submission of Large Trader, Ownership /Control Reports (“OCR”), and Open Interest Data

Markets Impacted:

- [NASDAQ Futures, Inc.](#)

Contact Information:

- John Pickford at
FuturesReg@nasdaq.com

What you need to know:

- This advisory notice supersedes the November 4, 2013 Futures Regulatory Alert #2013-4.
- NASDAQ Futures, Inc. (“NFX” or “Exchange”) Futures Participants and Clearing Futures Participants are reminded of their obligation to report certain positions at or above specific reporting levels as set by the Commission specifically concerning Large Trader Reporting, Ownership/ Control Reports (“OCR”), and Open Interest Reporting.

What are Futures Participants and Clearing Futures Participants required to report on a daily basis?

Pursuant to NFX Rules at Chapter III, Section 16, each Futures Participant is required to file any report, statement, form, or other information with the Commission pursuant to Parts 15, 17 or 18 of Commission Regulations. In addition, Futures Participants must file a copy of such report with the Exchange.

How do Futures Participants submit copies of Large Trader Reports to the Exchange?

All large trader reports shall be submitted in a form acceptable to the Exchange, which may require that more than one large trader report be submitted daily. Clearing Futures Participants, omnibus accounts and foreign brokers must provide the Exchange with the required CFTC Form 102 (“Identification of Special Accounts”) accurately identifying the owners, controllers, controlled accounts and any additional information required for each reportable account within three Business Days of the first day that the account in question becomes reportable. Notwithstanding the three Business Day requirement, on the first day that an account becomes reportable, Clearing Futures Participants, omnibus accounts and foreign brokers must, at the direction of the Exchange, submit the following information: account type, reportable account number and names and addresses of the owners and controllers of the account. Please note that the daily Large Trader Reporting submission to the Exchange must include for each reportable account the EFRP volume bought and sold in the reportable instrument, by contract month (Expiry). Any material changes to the information previously provided to the Exchange will require the submission of a revised form within three Business Days of such changes becoming effective. Additionally, in the absence of any material changes, the Exchange may require the submission of a new form on a biennial basis for the maintenance of accurate records.

Are the requirements different for omnibus accounts?

No, omnibus accounts have the same reporting obligations. Failure by an omnibus account or foreign broker to submit required information may result in a disciplinary proceeding and result in limitations, conditions or denial of access of such omnibus account or foreign broker to any Exchange market. Notwithstanding the above, Clearing Futures Participants carrying such accounts remain responsible for obtaining and providing to the Exchange information regarding the ownership and control of positions in circumstances where an omnibus account or foreign broker has failed to provide the information to the Exchange.

What is the obligation to report Open Interest?

Pursuant to NFX Rules at Chapter III, Section 18, each Clearing Futures Participants is required to accurately report open interest via position offsets on a daily basis to The Options Clearing Corporation ("OCC") in the form required by OCC and pursuant to OCC Rules.

What is the format for Large Trader report submissions?

The CFTC publishes the Large Trader regulations, which set standards for data submission and formats for Large Trader reporting. NFX requires that Large Trader report files be reported in the same format. DCMs will need to report Large Trader data in the format defined by the CFTC's data specification. To view and for more information on the CFTC data specification visit:

<http://www.cftc.gov/IndustryOversight/MarketSurveillance/LargeTraderReportingProgram/ltrp>

What is the format for OCR submissions?

The CFTC published the OCR Final Rule, which, among other things, set standards for data submission and format for OCR reports. NFX requires that the files be reported in this same format. DCMs are required to report forms 102A, 102B, and 71 in the xml format defined by the CFTC's data specification. To view and for more information on the CFTC data specification visit:

<http://www.cftc.gov/Forms/OCR>

How do I submit Large Trader and OCR reports to the Exchange?

Large Trader and OCR reports are submitted to the Exchange via SFTP. Please contact NFX Market Operations to establish connectivity to the SFTP server at nfxops@nasdaq.com.

What are the deadlines to report the above information?

NFX Large Trader and OCR Submission: 10:00 AM EST

OCC Position Offset for Open Interest Submission: 7:30 PM EST

Where can I find more information?

<http://www.cftc.gov/IndustryOversight/MarketSurveillance/LargeTraderReportingProgram/ltrformat>

<http://www.cftc.gov/Forms/OCR/index.htm>

Contact: John Pickford at FuturesReg@nasdaq.com
