Rule Self-Certification

April 15, 2016

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

Re: **Rule §40.6 Submission Certification**
     Mass Quote Protection
     Reference File: SR-NFX-2016-48

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") amends Chapter IV, Section 9 to make clear that Mass Quote Protection is not available in the Combination Order Book. Conforming changes are also being made to the Mass Quote & Self-Match Prevention Reference Guide. The amended rule text is attached as Exhibit A and will be implemented as of the Open Session on May 1, 2016 for trade date May 2, 2016.

Futures Participants may elect to enable certain risk protection mechanisms which result in the removal of Quotes from the Trading System if certain pre-set parameters have been met or exceeded. Once the Futures Participant commences submitting Quotes in a specified Contract, the Trading System will count the number of contracts executed during a period of time specified in seconds per Contract by the Futures Participant ("Exposure Limit Time Interval"). A new Exposure Limit Time Interval commences with each execution in a Contract. A Futures Participant may provide the Exchange with a volume threshold value which, if the number of contracts executed, equals or exceeds such value during the Exposure Limit Time Interval, the Trading System will remove all Group Quotes in a Contract. A setting of zero will disable this feature. A Futures Participant may provide the Exchange with a net delta value per Contract. The Trading System calculates the absolute value of (long call executions + short put executions) – (short call executions – long put executions), which if equals or exceeds the net delta value during the Exposure Limit Time Interval, the Trading System will remove all Group Quotes in a Contract. Futures Participant may elect to also include Futures in that calculation per Contract. In this case, the Trading System calculates the absolute value of (long futures executions + long call executions

+ short put executions) – (short call executions – long put executions – short futures executions), which if equals or exceeds the net delta value during the Exposure Limit Time Interval, the Trading System will remove all Group Quotes in a Contract. A setting of zero will disable this feature. If the Futures Participant's pre-set parameters have been met or exceeded in either the Quantity Protection or the Delta Protection, the Trading System will prevent new Quotes from being entered by the Group for the period of time specified in seconds per Contract by the Futures Participant ("Quotation Frozen Time"). The Quantity Protection and Delta Protection risk mechanisms operate independently of each other.

The Exchange amends Chapter IV, Section 9 and the Market Maker Protection & Self-Match Prevention Reference Guide to specify that this risk protection is only available with respect to the Single Order Book. When the mechanism is triggered, Quotes in the Combination Order Book will not be removed.

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

• Compliance with Rules. The Exchange specifies 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. Futures Participants must utilize the Exchange's services in a responsible manner, comply with Rules, cooperate with Exchange investigations and inquiries and observe high standards of integrity. In addition the Rule provides clear and transparent access criteria and requirements for Futures Participants and Authorized Traders. Chapter V, Section 18 describes prohibited activities with respect to the Trading System.

• Availability of Contract Information. The Exchange has indicated within its trading Rules where specific information relates to a particular Contract. The Exchange provides detailed information within the contract specifications for that particular Contract. The Exchange also posts the terms and conditions of Exchange Contracts in its Rulebook along with trading Rules.

• Execution of Transactions. The Exchange operates an electronic trading facility that provides Futures Participants with the ability to execute Orders within the Exchange's Order Book and offers within a predetermined automated trade matching and execution algorithm. Orders submitted into the Trading System will be matched in Price-Time priority. The Exchange specifies the types of Orders that will be accepted by the Trading System in Chapter IV, Section 4.

• 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 amendments to Chapter IV, Section 9 and the Market Maker Protection & Self-Match Prevention Reference Guide comply 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 business.nasdaq.com/futures.

       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-2016-48 in any related correspondence.

       Regards,

Daniel R. Carrigan
President

Exhibit A

New text is underlined.

NASDAQ Futures Rules

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Chapter IV Trading System

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Section 9 Mass Quote Protection

(a) Futures Participants or Authorized Customers (for purposes of this Rule collectively "Participants") may elect to enable certain risk protection mechanisms which result in the removal of a Participant's Quotes from the Trading System if certain pre-set parameters have been met or exceeded. For purposes of this Rule a Participant shall be defined as all affiliated Participants of either a Futures Participant or an Authorized Customer ("Group"). This functionality is not available for Quotes entered into Combinations Order Books. The Exchange offers two optional risk tools as noted below.

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NASDAQ Futures, Inc. (NFX)

Mass Quote Protection & Self-Match

Prevention Reference Guide

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1 introduction

This objective of this document is to provide an overview of NFX's Trading System Mass Quote Protection (MQP) and Self-Match Prevention functionality, as well as act as an explanatory reference guide for these key concepts and services provided by NFX. For purposes of this Reference Guide, a Participant is defined as a Clearing Futures Participant, Futures Participant, or Authorized Customer. A User is defined as an Authorized Trader. (See NFX Reference Guide, Section 2.3, Relational Model).

The Mass Quote Protection functionality is designed to prevent rapid fire trade executions resulting from Participant Mass Quotes. The Participant may elect MQP functionality whereby the Trading System will automatically purge all Quotes in a certain underlying Futures or Options Contract if a configurable number of contracts have been met or executed during a configurable amount of time. Participants will have the ability to use the MQP functionality for all underlying Contracts. Mass Quote Protection is optional for Futures Participants and Authorized Customers. All Participants may enter Quotes into NFX's Trading System. See NFX Rulebook at Chapter IV, Section 9. **This functionality is not available for Quotes entered into Combinations Order Books.**

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