**Rule Self-Certification**

May 16, 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**
     **Trading at Settlement Combination Orders**
     **Reference File: SR-NFX-2016-54**

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") is amending Chapter IV, Section 4 to permit a Trading at Settlement ("TAS") Order to be transacted as a Combination Order.  The Exchange is relocating rule text from Chapter IV, Section 6 into Section 4 and reserving Section 6.  The amended rule text is attached as Exhibit A[1] and will be implemented as of the Open Session on June 1, 2016 for trade date June 2, 2016.

A TAS Combo Order is an Order to buy or sell a stated quantity of the relevant Intra-Commodity Spread (Time Spread) at a price expressed as a differential (which may be zero) above or below the Daily Settlement Price for the second Contract on the trading day on which the TAS Combo Order is executed.  TAS Orders will be permitted to trade in the Combination Order Book, however a TAS Combo Order may not trade as Inter-Commodity Spread.  TAS Combo Orders may be priced in increments (plus or minus) of up to 10 minimum trading increments from the Daily Settlement Price for the second Contract.  With respect to pricing, the first leg of the Time Spread is priced at the Daily Settlement Price, as applicable, for that contract month.  The second leg of the Time Spread is priced at the Daily Settlement Price, as applicable, for that contract minus the allowable TAS price increment traded, except in circumstances where the traded TAS price is the actual settlement or market price of the contract.

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[1] Exhibit A reflects rule text filed as SR-NFX-2016-53.

The Exchange notes that Implied Orders from TAS Combo Orders (Implied Out and Implied In) will not be generated in the Trading System. Also, Mass Quotes are permitted in TAS Combo Order Books as long as the number of one-sided or two-sided Quotes is limited to one (1) Instrument. The Exchange will not offer Mass Quote Protection for Quotes entered into TAS Combo Order Books.

The Exchange certifies that the amendments comply with the Act and, specifically, the following designated contract market core principles:
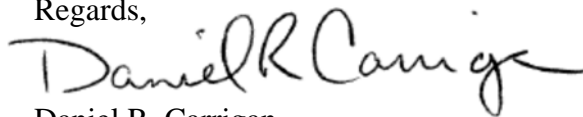
• Compliance with Rules. The Exchange specifies the manner in which Futures Participants may access and trade on NFX. Chapter II, Section I provides for the qualifications and rules of participation applicable to Futures Participants as well as Authorized Traders. Futures Participants must utilize the 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, Sections 4 and 6 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-2016-54 in any related correspondence.


Regards,

Daniel R. Carrigan
President

## Exhibit A

*New text is underlined; deleted text is stricken.*

**NASDAQ Futures—Rules**

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**Chapter IV Trading System**

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**Section 4 Acceptable Orders**
Orders entered into the Trading System for display and/or execution, as appropriate, are executable against marketable contra-side Orders in the Trading System.

(a) Types of Orders accepted by the Trading System are as follows:

(i) – (vi) No change.

(vii) A Trading at Settlement or "TAS" Order. There are two types of TAS Order, a TAS Single Order and a TAS Combo Order (collectively "TAS Orders"). The Exchange will designate the Contracts in which TAS Orders are permitted in accordance with this Rule in the Contract Specifications. TAS Orders are not permitted on the Last Trading Day in any Contract Expiry, or for any trade date which is a U.S. federal holiday even if the Exchange is open for trading. TAS Orders are not permitted in any Options or EFRP transactions. Contracts eligible for TAS Orders are permitted in any minimum quantity or as Block Trades pursuant to the requirements of Chapter IV, Section 11. ~~A "Trading at Settlement" or "TAS" Order is an Order to buy or sell a stated quantity of the relevant Contract at a price expressed as a differential (which may be zero) above or below the Daily Settlement Price for the Contract on the trading day on which the TAS Order is executed. TAS Orders may be priced in increments (plus or minus) of up to 10 minimum trading increments from the Daily Settlement Price. A TAS transaction executed at a zero differential will be filled and cleared at the Daily Settlement Price for the trading day.~~

> (i) A TAS Single Order is an Order to buy or sell a stated quantity of the relevant Contract at a price expressed as a differential (which may be zero) above or below the Daily Settlement Price for the Contract on the trade date on which the TAS Single Order is executed. The term trade date means the day on which the TAS transaction occurred, except that the trade date in respect of trades effected in a Trading Session beginning on one calendar day and ending on the next calendar day shall be deemed to be the calendar day on which the Trading Session ends. TAS Single Orders may be priced in increments (plus or minus) of up to 10 minimum trading increments from the Daily Settlement Price. A TAS Single Order executed at a zero differential will be filled and cleared at the Daily Settlement Price for the trading day. TAS Single Orders do not trade in the Combination Order Book.

(ii) A TAS Combo Order is an Order to buy or sell a stated quantity of the relevant Intra-Commodity Spread ("Time Spread") at a price expressed as a differential (which may be zero) above or below the Daily Settlement Price for the second Contract on the trading day on which the TAS Combo Order is executed.  TAS Combo Orders may not trade as Inter-Commodity Spreads.  TAS Combo Orders may be priced in increments (plus or minus) of up to 10 minimum trading increments from the Daily Settlement Price for the second Contract.  A TAS Combo Order executed at a zero differential will be filled and cleared at the Daily Settlement Price for the trading day for both legs of the Time Spread.  The first leg of the Time Spread is priced at the Daily Settlement Price, as applicable, for that contract month. The second leg of the Time Spread is priced at the Daily Settlement Price, as applicable, for that contract minus the allowable TAS price increment traded, except in circumstances where the traded TAS price is the actual settlement or market price of the contract.  Implied Orders from TAS Combo Orders (Implied Out and Implied In) will not be generated in the Trading System.  Mass Quotes are permitted in TAS Combo Order Books as long as the number of one-sided or two-sided Quotes is limited to one (1) Instrument.  However, Mass Quotes Protection is not available for Quotes entered into TAS Combo Order Books.

(iii) A TAS Order may be entered into the Trading System for a Contract only during the Open Session.  TAS Orders may be entered only during the hours specified by the Exchange when TAS trading is available for such Contract.  Trading in all TAS products will cease daily at 2:30 PM EPT.  The price of a TAS Order or transaction is reflected with either a price of 0 (which represents a trade at the Daily Settlement Price), with a positive number (which represents a trade at that amount above the Daily Settlement Price) or with a negative number (which represents a trade at that amount below the Daily Settlement Price).  All TAS Orders are required to be Day Orders.  TAS Market Orders are not permitted.  TAS Orders in a Contract will interact only with other TAS Orders in the Contract and will not interact with non-TAS Orders in the Contract.  The same execution priorities that are applicable to non-TAS Orders in a Contract shall also apply with respect to TAS Orders in the Contract, unless otherwise specified in the rules governing the Contract.

(iv) The term Daily Settlement Price as used in this Section 4(vii) shall mean the Daily Settlement Price first announced by the Exchange for the trade date on which the TAS Order is executed, and shall not mean the Daily Settlement Price as it may later be revised by the Exchange for other purposes.

(viii) Combination Orders.

(i) Combination Orders or "Combination Strategies" will be traded in a separate Order Book pursuant to the Rules in Chapter IV, Section 5. The Combination Order Book will accept mass Quotes. Combination Orders may be originated (adding Expiries, Contracts and trading symbols), by either: (i) the Exchange; or (ii) a Futures Participant or its Authorized Traders or Authorized Customers. Combination Orders will first execute against respective legs of Orders before executing against other Combination Orders within the Combination Order Book. Combination Orders shall not update the prices of the

respective legs of such Combination Orders in their respective Order Book. The Exchange will disseminate Combination Orders through ITCH and FIX protocols. The following order types may be Combination Orders: Market Orders, Limit Orders and Market-to-Limit Orders, ~~and~~ Iceberg Orders <u>and TAS Orders</u>.

(ii) and (iii) No change.

(ix) – (xi) No change.

(b) No change.

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**Section 6** ~~**Trading at Settlement ("TAS") Order**~~ <u>**Reserved.**</u>
~~A Trading at Settlement ("TAS") Order is an Order to buy or sell a stated quantity of the relevant Contract at a price expressed as a differential (which may be zero) above or below the Daily Settlement Price for the Contract on the trade date on which the TAS Order is executed. The term trade date means the day on which the TAS transaction occurred, except that the trade date in respect of trades effected in a Trading Session beginning on one calendar day and ending on the next calendar day shall be deemed to be the calendar day on which the Trading Session ends. TAS Orders may be priced in increments (plus or minus) of up to 10 minimum trading increments from the Daily Settlement Price. A TAS transaction executed at a zero differential will be filled and cleared at the Daily Settlement Price for the trading day.~~

> ~~(a) Entry and Execution of TAS Orders. A TAS Order may be entered into the Trading System for a Contract only during the Open Session. TAS Orders may be entered only during the hours specified by the Exchange when TAS trading is available for such Contract. Trading in all TAS products will cease daily at 2:30 PM EPT. The price of a TAS Order or transaction is reflected with either a price of 0 (which represents a trade at the Daily Settlement Price), with a positive number (which represents a trade at that amount above the Daily Settlement Price) or with a negative number (which represents a trade at that amount below the Daily Settlement Price). All TAS Orders are required to be Day Orders. TAS Market Orders are not permitted. TAS Orders in a Contract will interact only with other TAS Orders in the Contract and will not interact with non-TAS Orders in the Contract. The same execution priorities that are applicable to non-TAS Orders in a Contract shall also apply with respect to TAS Orders in the Contract, unless otherwise specified in the rules governing the Contract.~~

> ~~(b) Quantity. Contracts eligible for TAS executions are permitted in any minimum quantity or as Block Trades pursuant to the requirements of Chapter IV, Section 11.~~

> ~~(c) TAS Eligible Contracts and Exclusions. The Exchange will designate the Contracts in which TAS transactions are permitted in accordance with this Rule. TAS trades are not permitted on the Last Trading Day in any Contract Expiry, or for any trade date which is a U.S. federal holiday even if the Exchange is open for trading. TAS transactions are not permitted in any Options, Combination Order or EFRP transactions.~~

(d) For purposes of TAS transactions, the term Daily Settlement Price as used in this Section 6 shall mean the Daily Settlement Price first announced by the Exchange for the trade date on which the TAS Order is executed, and shall not mean the Daily Settlement Price as it may later be revised by the Exchange for other purposes.

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