Nasdaq Futures

Rule Self-Certification

June 2, 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**
Audit Trail Guidance
Reference File: SR-NFX-2015-38

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 audit trail guidance in the form of a Futures Regulatory Alert. The Futures Regulatory Alert containing the audit trail guidance is set forth in Exhibit A. The Futures Regulatory Alert would be issued on June 17, 2015, the date of implementation.

The Exchange will issue a Futures Regulatory Alert providing participants with guidance on NFX Rules concerning audit trail. The Exchange's alert advises market participants on the audit trail requirements, as provided in NFX Rules, and responsibilities of Futures Participants and Authorized Customers to maintain information for all Orders entered into the Trading System, including Order modifications and cancellations.

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 audit trail 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.

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-2015-38 in any related correspondence.

Regards,

Daniel R. Carrigan

Daniel R. Carrigan
President

cc: National Futures Association
The Options Clearing Corporation

Exhibit A

Futures Regulatory Alert #2015 - XX
NASDAQ OMX Futures Exchange Audit Trail Requirements

Category:

System Impact

Markets Impacted:

Nasdaq Futures

Contact Information:

John C. Pickford, Chief Regulatory Officer

Resources:

Chapter V, Section 1

Chapter V, Section 4

Pursuant to Chapter V, Section 1, each Futures Participant shall maintain or cause to be maintained audit trail information for all Orders entered into the Trading System, including Order modifications and cancellations. This audit trail must contain, at a minimum, all Order entry, modification, cancellation and response receipt time(s) as well as Financial Information Exchange interface (FIX) tag information as applicable. Futures Participants are required to produce, upon request by NASDAQ Futures (NFX) or its Regulatory Services Provider, the audit trail for all Orders submitted to NFX in a format prescribed by NFX.

The National Futures Association ("NFA") is the Regulatory Services Provider for NFX. Generally, Futures Participants will receive requests for audit trail information from the NFA.

What are the audit trail requirements for Futures Participants?

Pursuant to Chapter V, Section 1, each Futures Participant shall maintain or cause to be maintained audit trail information for all Orders entered into the Trading System, including Order modifications and cancellations. This audit trail must contain, at a minimum, all Order entry, modification, cancellation and response receipt time(s) as well as Financial Information Exchange interface (FIX) tag information as applicable. Futures Participants are required to produce, upon request by NASDAQ Futures (NFX) or its Regulatory Services Provider, the audit trail for all Orders submitted to NFX in a format prescribed by NFX.

The National Futures Association ("NFA") is the Regulatory Services Provider for NFX. Generally, Futures Participants will receive requests for audit trail information from the NFA.

What are the audit trail requirements with Direct Access?

Pursuant to Chapter V, Section 4, Clearing Futures Participants authorizing a connection to the Trading System are responsible for maintaining or causing to be maintained the audit trail for all Orders submitted to NFX; and producing, upon request by NFX or its Regulatory Services Provider, the audit trail for all Orders submitted to NFX by an Authorized Customer. Each Authorized Customer connecting to the Trading System is responsible for maintaining or causing to be maintained the audit trail for all Orders submitted to NFX. A Clearing Futures Participant that has arrangements for a third party to maintain audit trail information on its behalf shall remain responsible for compliance with NFX audit trail rules.

How long must the audit trail be maintained?

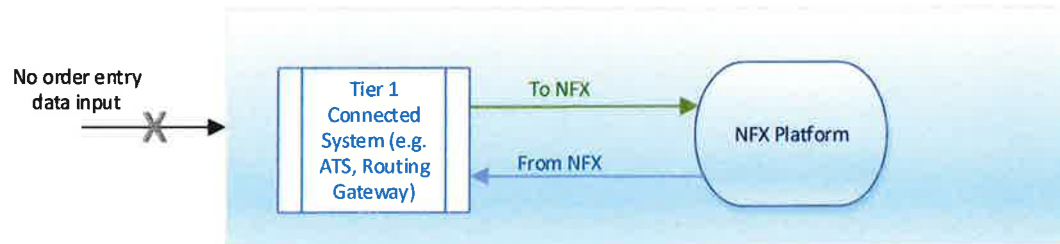
Electronic audit trail must be maintained for a minimum of five (5) years. Upon the request of NFX, each Futures Participant, Clearing Futures Participant and Authorized Customer must have the ability to produce to NFX the audit trail data in a format prescribed by NFX.

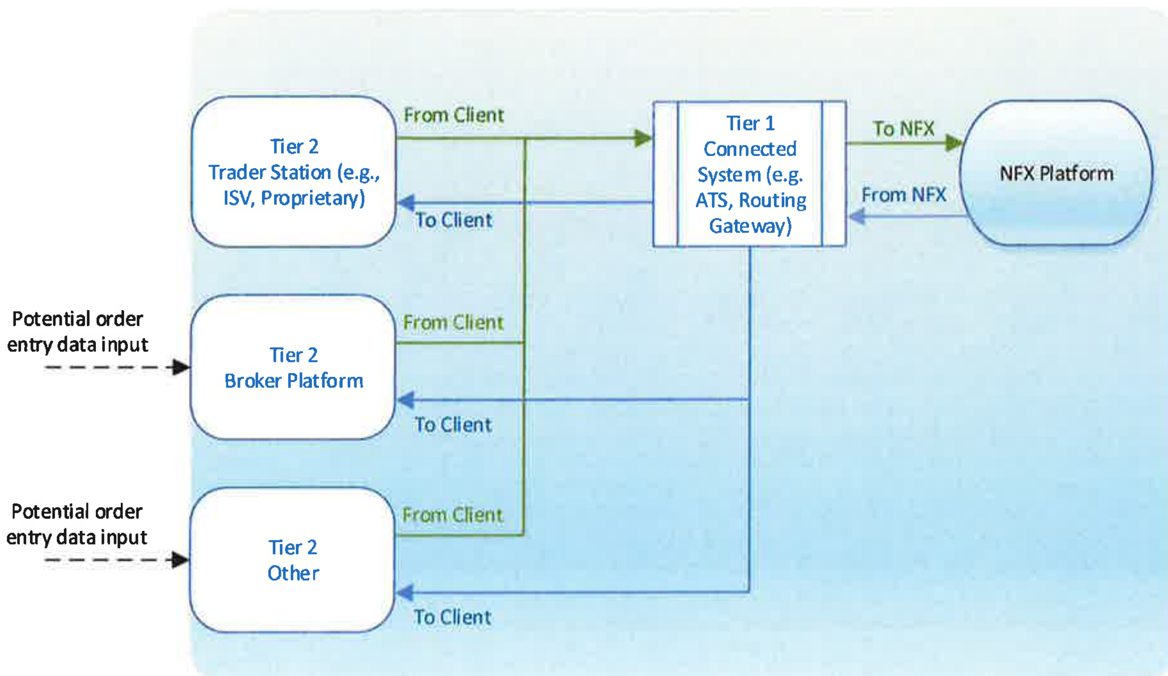
How should Bunched Orders be reported?

Pursuant to Chapter V, Section 12, for post-execution allocation of a Bunched Order, a Futures Participant acting as an Eligible Account Manager (as defined by Commission regulation 1.35(b)(5)), need not provide, at the time of either Order entry or report of Order execution, specific Customer Account identifiers for accounts included in a Bunched Order, if the Futures Participant complies with the requirements of Commission regulation 1.35(b)(5), as applicable. A Futures Participant that executes Bunched Orders or carries accounts eligible for post execution allocation of Bunched Orders must maintain records that, as applicable, identify each Bunched Order subject to post-execution allocation and the accounts to which Contracts executed for the Bunched Order were allocated, as required by Commission regulation 1.35(b)(5).

Audit Trail Tier 1 and Tier 2 Architecture

The following diagram depicts the scope of the audit trail responsibilities according to Tier 1 and Tier 2 architectural classifications.





Minimum Acceptable Audit Trail Elements – Data Definitions and Validation Rules

This table describes the front-end audit-trail specifications required to represent data exchanged between a trading system and NFX in your front-end audit trail. The data must be captured in .csv or Excel format.

The order of the columns must be followed in the file submission. Additional columns may be added at the end of the file for internal use by the firm. The layout includes the FIX Tag where applicable/available and is provided for reference only.

Specifications representing each message type supported on NFX are available in this section. For further description of data elements to capture in Tier 1, please refer to the FIX specification posted on Nasdaq Futures, Inc. FIX website found here:
http://www.nasdaqomx.com/transactions/markets/nasdaq-futures/technical-support

Blank table cell = Not Applicable

Position	Field Name	FIX Tag	TO/FROM NFX	TO/FROM CLIENT
1	SendingTimestamps	52	Time at which the message/data leaves the Tier 1 component and is sent to the NFX platform. The time stamp must be in UTC Timestamp format (YYYYMMDD-HH:MM:SS.sss) and must have at least millisecond precision.	Time at which the message/data leaves the Tier 1 component towards the Tier 2 component. The time stamp must be in UTC Timestamp format (YYYYMMDD-HH:MM:SS.sss) and must have at least millisecond precision.
2	ReceivingTimestamps		Time at which the message/data is received by the Tier 1 component and is sent to the NFX platform. The time stamp must be in UTC Timestamp format (YYYYMMDD-HH:MM:SS.sss) and must have at least millisecond precision.	Time at which the message/data is received by the Tier 1 component towards the Tier 2 component. The time stamp must be in UTC Timestamp format (YYYYMMDD-HH:MM:SS.sss) and must have at least millisecond precision.
3	MessageDirection		Explicit labeling of the direction of the captured message. "TO NFX": for messages leaving Tier 1 component towards the NFX platform "FROM NFX" : for messages received by Tier 1 component from the NFX platform	Explicit labeling of the direction of the captured message. "TO CLIENT": for messages/data leaving the Tier 1 component towards the Tier 2 component. "FROM CLIENT": for messages/data received by the Tier 1 component from the Tier 2 component.
4	SenderSubID	50	Required on inbound transmissions to NFX. Identifier of the operator who submitted the message or is responsible for its submission.	Identifier of the operator who submitted the message or is responsible for its submission.
5	AccountNumber	1	Trading account number	Trading account number

Position	Field Name	FIX Tag	TO/FROM NFX	TO/FROM CLIENT
6	SenderCompID	49	As specified in separate agreement, combined with TargetCompID used to identify a session.	
7	TargetCompID	56	As specified in separate agreement, combined with SenderCompID used to identify a session.	
8	ExecutingFirmID	Party role 452	Identifier of the Executing Trading Firm submitting the messages on behalf of Party ID 448 to NFX.	
9	MessageType	35	Identifies the type of the message captured.	Identifies the type of the message captured.
10	OrderCapacity	528	Type of business conducted (Agency or Principal).	
11	CustOrderCapacity	582	Capacity of customer placing the order	
12	ExecID	17	Execution Report identifier, a unique identifier per FIX session that is assigned by NFX.	
13	MessageLinkID		Identifier linking message/data sent from the Tier 2 component to Tier 1 component to NFX and from NFX to Tier 1 component to Tier 2 component. This ID must be generated as part of the audit trail; it is not part of the data captured This identifier may link 1:1, 1:N or N:1 messages between tier 1 and tier 2.	Identifier linking message/data sent from the Tier 2 component to Tier 1 component to NFX and from NFX to Tier 1 component to Tier 2 component. This ID must be generated as part of the audit trail; it is not part of the data captured. This identifier may link 1:1, 1:N, or N:1 messages.

Position	Field Name	FIX Tag	TO/FROM NFX	TO/FROM CLIENT
14	OrderFlowID		Identifier linking all inbound and outbound messages associated with a New Order Messages. This ID must be generated as part of the audit trail; it is not part of the data captured. This ID is not required for Mass Quote related messages.	Identifier linking all inbound and outbound messages associated with a New Order Messages. This ID must be generated as part of the audit trail; it is not part of the data captured. This ID is not required for Mass Quote related messages.
15	ListID	66	Identifier assigned by NFX to legs and spread fill notices and spread trade cancellation to link the linked order messages together.	
16	ExecType	150	Type of execution defined by NFX	
17	Instrument/SecurityID/ OrderBookID	48	NFX - assigned code to uniquely identify a futures or options contract.	Code uniquely identifying futures or options contracts between Tier 1 and Tier 2 components.
18	Instrument/Symbol	55	Short name for the security	
19	ClientOrderID	11	Client-generated identifier uniquely identifying an order, a cancel or cancel replace message. This is unique per trading session.	Client-generated identifier uniquely identifying an order, a cancel or cancel replace message.
20	OrderID	37	NFX - assigned code uniquely identifying an order. OrderIDs are unique per orderbook and side. This code does not change regardless of the changes applied to it.	

Position	Field Name	FIX Tag	TO/FROM NFX	TO/FROM CLIENT
21	Side	54	Side of the order.	Side of the order as defined between Tier 1 and Tier 2 component.
22	Quantity	38	Quantity of the order.	Quantity of the order as defined between Tier 1 and Tier 2 component.
23	LastQty	32	Quantity (shares) bought/sold on the last fill.	
24	LimitPrice	44	Limit price of the order.	Limit price of the order as defined between Tier 1 and Tier 2 component.
25	TriggerPrice	1102	Trigger price of the order.	Trigger price of the order as defined between Tier 1 and Tier 2 component.
26	OrdType	40	Type of the order: market, limit, market with left over as limit.	Type of the order as defined between Tier 1 and Tier 2 component.
27	TimeInForce	59	Time in force of the order: Day, GTC, IOC, FoK, GTD	Time in force of the order as defined between Tier 1 and Tier 2 component.
28	MaxFloor	111	The maximum order quantity shown in the public Market Data.	Display quantity of an order to be shown in the order book at any given time.
29	MinQty	110	Minimum quantity of a quote to be executed	Minimum quantity of a quote to be executed.
30	CountryOfOrigin		Location of the operator.	Location of the operator.
31	FillPrice	44	Price at which the order has been executed.	Price at which the order has been executed.
32	OrderQtyData/OrderQty	38	Quantity at which the order has been executed.	Quantity at which the order has been executed.
33	CumQty	14	Cumulated fill quantity for the order.	Cumulated fill quantity for the order.

Position	Field Name	FIX Tag	TO/FROM NFX	TO/FROM CLIENT
34	LeavesQty	151	Quantity open for further execution.	Quantity open for further execution.
35	AggressorIndicator	1057	Flag indicating whether the order was the aggressor in the match.	Flag indicating whether the order was the aggressor in the match.
36	OrdStatus	39	Status of order	Status of order
37	RejectReason	58	Code or text identifying the reason why an order was rejected.	Code or text identifying the reason why an order was rejected.
38	NoQuoteEntries	295	Number of double-sided quotes successfully acknowledged or cancelled.	
39	CrossID	548	Customer-generated code uniquely identifying an order Cross (RFC).	
40	QuoteID	117	Customer-generated code uniquely identifying a Request for Quote (RFQ).	
41	QuoteSetID	302	Customer-generated code uniquely identifying a Mass Quote message.	
42	QuoteEntryID	299	Customer-generated code uniquely identifying a Quote in a Mass Quote message.	
43	BidPx	132	Bid price of quote.	Bid price of quote.
44	BidSize	134	Bid quantity of quote.	Bid quantity of quote.
45	OfferPx	133	Offer price of quote.	Offer price of quote.
46	OfferSize	135	Offer quantity of quote.	Offer quantity of quote.
47	TrdMatchID	880	Trade ID assigned by NFX matching engine	Trade ID assigned by NFX matching engine