



Rule Self-Certification

June 19, 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**
Amendments to Exchange Rules
Reference File: SR-NFX-2015-46

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 NFX’s Rulebook at Chapter I, Section 1 (Definitions and Governance of the Exchange), Section 7 (Disclosure and Trading by Exchange Employees, Consultants, Directors and Committee Members); Chapter III, Section 3 (Audit and Financial Filings), Section 12 (Adjustment of a Customer Order), Section 13 (Risk Disclosure Statement), Section 15 (Responsibility for Customer Orders), Section 24 (General Trading Standards and Prohibited Practices) and Section 29 (Supervision); Chapter V, Section 1 (Authorized Traders and Trader IDs) and Section 4 (Direct Access); Chapter VI, Section 2 (Investigation and Authorization of Complaint), Section 4 (Answer) and Section 5 (Hearing); and Chapter VII, Section 1 (Arbitration). These amendments will be implemented on July 7, 2015. The text of the Rulebook is set forth in Exhibit A.

The Exchange is amending the definition of Authorized Customer in Chapter I, Section 1 (Definitions and Governance of the Exchange) to clarify that a Futures Participant is not an Authorized Customer. The Exchange is amending Chapter III, Section 13 (Risk Disclosure Statement) to clarify that an exemption pursuant to Commission Regulation §1.55 would obviate the need to otherwise comply with this Rule. The Exchange is amending Chapter III, Section 29 (Supervision) to clarify that Authorized Traders of the Futures Participants, namely, its employees and their agents, must adopt, maintain and enforce

reasonable written supervisory procedures, except for those accounts of another futures commission merchant. The Exchange is amending Chapter V, Section 1 (Authorized Traders and Trader IDs) to remove the types of information that the Exchange will not require Futures Participant to submit to the Exchange. The remainder of the amendments correct typographical errors, grammatical errors, cross-references to other sections of the Rulebook, and conform the usage of rule text within the Rulebook.

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

- *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. The Exchange has established comprehensive audit trail processes that capture trading information to facilitate the surveillance activities described herein. Futures Participants that access the Exchange electronically are responsible for maintaining audit trail information for all electronic orders pursuant to Chapter V, Section 1. The Exchange has in place risk controls, including the imposition of trading pauses or halts, to address risks posed by potential market disruptions pursuant to Chapter V, Section 16. The Exchange has the ability to reconstruct all Orders transacted on 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 will provide detailed information within the contract specifications for that particular Contract. The Exchange will post the terms and conditions of Exchange Contracts in its Rulebook along with trading Rules. The specifications for its Trading System will appear on the Exchange’s website.

- *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 NFX's Rulebook at Chapter I, Section 1 (Definitions and Governance of the Exchange), Section 7 (Disclosure and Trading by Exchange Employees, Consultants, Directors and Committee Members); Chapter III, Section 3 (Audit and Financial Filings), Section 12 (Adjustment of a Customer Order), Section 13 (Risk Disclosure Statement), Section 15 (Responsibility for Customer Orders), Section 24 (General Trading Standards and Prohibited Practices) and Section 29 (Supervision); Chapter V, Section 1 (Authorized Traders and Trader IDs) and Section 4 (Direct Access); Chapter VI, Section 2 (Investigation and Authorization of Complaint), Section 4 (Answer) and Section 5 (Hearing); and Chapter VII, Section 1 (Arbitration) 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 www.nasdaqomx.com/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-2015-46 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
The Options Clearing Corporation

Exhibit A

New text is underlined and deleted text is stricken.

NASDAQ Futures—Rules

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Chapter I Definitions and Governance of the Exchange

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Authorized Customer. The term “Authorized Customer” shall mean a Person or entity that may access the Trading System, excluding a Futures Participant.

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Section 7 Disclosure and Trading by Exchange Employees, Consultants, Directors and Committee Members

(a) and (b) No change.

(c) Employee Transactions. No employee of the Exchange or any affiliate of the Exchange may purchase or sell for his/her own account ~~or~~ for the account of others any commodity interest where the employee has access to material nonpublic information concerning such commodity interest.

(d) No change.

••• *Commentary:* -----

No change.

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Chapter III Obligations of Futures Participants and Authorized Traders

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Section 3 Audit and Financial Filings

(a) – (d) No change

(e) A copy of any audit or financial or operational report required pursuant to this Rule and all related statements, schedules, work papers and memoranda must be retained in accordance with the provisions of Chapter III, Section 1.

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Section 12 Adjustment of a Customer Order

(a) No change.

(b) Each Futures Participant shall maintain a separate file of adjustments, transfers and liquidations that were made pursuant to this Rule which shall be kept in accordance with the provisions of Chapter III, Section 1.

Section 13 Risk Disclosure Statement

Prior to opening an account for any Customer, a Futures Participant or Clearing Futures Participant that is registered with the Commission as a futures commission merchant or introducing broker must provide such Customer with a written disclosure statement as set forth in Commission Regulation §1.55(c), and receive an acknowledgment from the Customer, which is signed and dated, that he/she received and understood the disclosure statement, unless other exempt from these requirements pursuant to Commission Regulation §1.55. Also, a Futures Participant or Clearing Futures Participant that is registered with the Commission as a futures commission merchant or introducing broker must provide the Customer with a Uniform Electronic Trading and Order Routing System Disclosure Statement required by NFA (or similar disclosure statement required by a foreign Governmental Authority to which such member is subject), and any other disclosure statement from time to time required by the Exchange.

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Section 15 Responsibility for Customer Orders

(a) A Futures Participant or Authorized Trader handling Orders for Customers shall exercise due diligence in the handling and execution of such Orders. Failure to act with due diligence shall constitute negligence. Futures Participants and Authorized Traders are prohibited from directly or indirectly guaranteeing the execution of an Order or any of its terms such as the quantity or price; provided that this sentence shall not be construed to prevent a Futures Participant or Authorized Trader from assuming or sharing in any losses resulting from an error or the mishandling of an Order.

(b) No change.

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Section 24 General Trading Standards and Prohibited Practices

(a) – (f) No Change

(g) Futures Participants and Authorized Traders shall not:

(1) No Change

(2) Engage in pre-arranged transactions other than transactions executed in compliance with Chapter IV, Sections 11 (Block Trades) and ~~11~~12 (Exchange for Related Positions) and Chapter V, Section 12 (Pre-Negotiated Business and Cross Transactions); or

(3) - (4) No Change

* * * * *

Section 29 Supervision

~~Each Futures Participant shall be responsible for establishing, maintaining and administering reasonable supervisory procedures to ensure that its Authorized Traders and Customers comply with Applicable Law, the Rules of the Exchange and the Rules of the Clearing Corporation. A Futures Participant may be held accountable for the actions of its Authorized Traders. Each Futures Participant shall adopt, maintain and enforce reasonable written supervisory procedures pursuant to which it will supervise in accordance with the requirements of the Exchange's Rules, the Act and CFTC Regulations thereunder, its employees or agents and each Customers' account, except those accounts of another futures commission merchant.~~

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Chapter V Trading Procedures and Standards

Section 1 Authorized Traders and Trader IDs

(a) - (b) No Change

(c) Each Futures Participant, in a form and manner prescribed by the Exchange, shall include an assigned Trader ID with every Order from that Futures Participant that is submitted to the Exchange. Additionally, Futures Participants shall mark each Order entered into the Exchange's Trading System with a CTI Code and Origin Code and such other information as may be prescribed by the Exchange. ~~(i)~~ Each Futures Participant is responsible for all Orders submitted through its Futures Participant Exchange Account by any Persons associated with that Futures Participant. Each Futures Participant and Authorized Trader shall not knowingly enter, or cause to be entered bids or offers into the Trading System other than in good faith for the purpose of executing bona fide trades.

(d) - (e) No Change

(f) Each Futures Participant shall comply with the following issuance, recordkeeping, and reporting requirements related to Trader IDs:

(i) Each Trader ID issued for a natural person or Automated System for inclusion with any Order from the Futures Participant that is submitted to the Trading System shall be unique, and shall not be associated with more than one natural person or Automated System.

(a) Each Futures Participant must provide to the Exchange the name, ~~title~~, telephone number and other information for its Authorized Traders, including other emergency contacts, in the manner, format, and following the procedures established by the Exchange.

(ii) Each Futures Participant shall collect and maintain accurate, complete, and up-to-date records with the following information for each Trader ID issued for a natural person or Automated System for inclusion with any Order from the Futures Participant that is submitted to the Trading System.

(A) a clear identification of whether the Trader ID is issued for a natural person or Automated System;

(B) if the Trader ID is issued for a natural person, the name, address, telephone and e-mail contact information, ~~and position or relationship to the Futures Participant~~;

(C) if the Trader ID is issued for an Automated System, the name, address, telephone and email contact information, ~~and position or relationship to the Futures Participant~~ of the head operator of the Automated System;

(D) and any other related information as may be prescribed by the Exchange.

(iii) and (iv) No change.

(g) No change.

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Section 4 Direct Access

Authorized Customers of any Clearing Futures Participant may access the Trading System as specified in this Rule

"Direct Access" shall mean connecting directly to the Exchange, whereby Orders do not pass through the order management system ("OMS") of a Futures Participant.

"Indirect Access" shall mean utilizing an approved and authorized Independent Software Vendor ("ISV") and/or utilizing an OMS owned and/or controlled by a Futures Participant to access the Exchange's Trading System. A Futures Participant or Authorized Customer that accesses the Trading System by such Indirect Access is subject to all of the Rules of the Exchange, including, without limitation, use of a Trader ID, audit trail requirements and the requirement that any such Futures Participant or Authorized Customer be guaranteed by a Clearing Futures Participant. Connectivity to the Trading System established by an ISV may not be used by the ISV itself for its own trading activities. Futures Participants or Authorized Customers utilizing Indirect Access shall be required to provide information of such relationships to the Exchange in a form as prescribed by the Exchange.

(a) – (n) No change.

(m) An Off-Exchange Reporting Broker may access the Trading System directly for the purpose of submitting transactions for reporting and clearing if the Off-Exchange Reporting Broker has received authorization from the Exchange and from a Clearing Futures Participant in a form prescribed by the Exchange. Off-Exchange Reporting Brokers may submit either Block Trades in accordance with Chapter IV, Section 11 or Exchange for Related Position transactions in accordance with Chapter IV, Section 12 and in accordance with other procedures and rules specified by the Exchange.

(i) A Clearing Futures Participant that approves an Off-Exchange Reporting Broker to submit either Block Trades or Exchange for Related Positions shall:

(1) and (2) No change.

(3) designate pre-trade risk parameters as required by Chapter IV, Section 57;

(4) – (11) No change.

(ii) No change.

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Chapter VI Disciplinary Rules

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Section 2 Investigation and Authorization of Complaint

(a) - (e) No Change

(f)(i) Determination to Initiate Charges. Whenever it shall appear to the Business Conduct Committee that there is probable cause for finding a violation within the disciplinary jurisdiction of the Exchange and that disciplinary action is warranted, the Business Conduct Committee shall direct the staff of the Exchange to prepare a statement of charges. Whenever the Business Conduct Committee determines that violations within the disciplinary jurisdiction of the Exchange have not occurred or that disciplinary action is not warranted it shall so instruct the staff and its instruction not to initiate disciplinary action along with the reasons for not initiating such action shall be recorded in the minutes of the Business Conduct Committee.

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Section 4 Answer

(a) A Respondent shall have fifteen (15) business days after service of the Statement of Charges to file a written answer thereto. The Answer shall specifically admit or deny each allegation contained in the Statement of Charges, and a Respondent shall be deemed to have admitted any allegation contained not specifically denied. The Answer may also contain any defense which a Respondent wishes to submit and may be accompanied by documents in support of Respondent's Answer or defense. A Respondent must state in Respondent's Answer whether he/she requests a hearing concerning the Statement of Charges. In lieu of requesting a hearing, a Respondent may request that the matter be decided upon written submissions, whereupon the Hearing Panel shall decide whether to grant such request and determine a schedule for each party to make their respective submissions. A Respondent who does not request a hearing or that the matter be decided upon written submissions, shall be deemed to have waived Respondent's right to request a hearing or have Respondent's written submissions, other than the Answer and any documents in support of Respondent's Answer or defense, be considered by a Hearing Panel (as defined in Section 5). The Hearing Panel may thereafter prepare its decision in accordance with Section 8. A Respondent who does not so request a hearing shall be deemed to have waived Respondent's right to request a hearing and the Business Conduct Committee may thereafter prepare its decision in accordance with Section 8.

(b) No Change

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Section 5 Hearing

(a) – (c) No Change

••• Interpretations and Policies: -----

.01 Intervention. Any person not otherwise a party may intervene as a party to the hearing upon demonstrating to the satisfaction of the Hearing Panel that he/she has an interest in the subject of the hearing and that the disposition of the matter, may, as a practical matter, impair or impede his/her ability to protect that interest. Also, the Hearing Panel may in its discretion permit a person to intervene as a party to the hearing when the person's claim or defense and the main action have questions of law or fact in common. Any person wishing to intervene as a party to a hearing shall file with the Hearing Panel a notice requesting the right to intervene, stating the grounds therefor, and setting forth the claim or defense for which intervention is sought.

.02 - .03 No Change

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Chapter VII Arbitration Rules

Section 1 Arbitration

Matters Subject to Arbitration; Incorporation by References

(a) - (c) No Change

(d) For purposes of this Chapter VII, Section 1, the term "Customer" means any person for or on behalf of whom a Futures Participant of the Exchange effects a transaction on or subject to the By-Laws and Rules of the Exchange, except another Futures Participant.

(e) - (g) No Change

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