



Rule Self-Certification

June 23, 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 the Authorized Trader & Account Management
Reference Guide
Reference File: SR-NFX-2015-49**

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 its Authorized Trader & Account Management Reference Guide to include additional language regarding mandatory fields to create Authorized Traders in CAST. The text of this amendment to the Rulebook is set forth in Exhibit A. The amendments will be implemented on July 9, 2015.

The Exchange is amending Authorized Trader & Account Management Reference Guide to specify the fields that must be populated by the Clearing Futures Participant within CAST to set-up an Authorized Trader that may access the Trading System. The Exchange’s amendment provides additional clarity to the administrative requirements to manage Authorized Traders and provide them access the Trading System.

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. This Rule states that 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.

- *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.

- *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. The Exchange separately describes its Rules for executing transactions outside of the Order Book, such as Block Trades and exchange for related positions (EFRPs), in Chapter IV, Sections 10 and 11 respectively.

- *Trade Information.* As previously described, the Exchange has established audit trail processes that capture trading information to facilitate the Exchange's trade practice and market surveillance activities. The audit trail program is based on original source documents that are unalterable, sequentially identified records. The audit trail contains a history of all Orders as well as other identifying information. All data gathered as part of the audit trail is maintained in accordance with the Commission's recordkeeping requirements and in a manner that does not allow for unauthorized alteration, erasure or other potential loss.

- *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 amendment to the Authorized Trader & Account Management Reference Guide 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 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-2015-49 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, Inc. (NFX)
CAST User Guide
Authorized Trader & Account
Management Reference Guide**

Version 1.001 | 2015-5-~~18~~7-9



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7 Managing Accounts and Account Authorizations

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7.2 Creating an Account

1. On the **Accounts** menu, click **New Account**.
2. Search by Customer name and select the Customer for that account.

FCM Name	Customer Name	Customer ID
ASMD	Bearish LLC	16844524
ASMD	Customer ABC	16844531
ASMD	MyInvestment Investments	16844522
ASMD	Real Trading	16844543
ASMD	Dark Trading LLC	16844538
ASMD	Virtu Financial	16844523

Create a New Account for Customer ABC Trading (16844534)

Account Information

FCM: [ASMD]
Customer: [16844531 - ABC Trading]
Current Location: [Change]
FCM Account Number: [55599993]
Account Name: [ABC Trading]
Sales Series: [Agent]
Account Type: [Customer Account - Any other customer account]

Account Settings

Account Statements:
 Process statements as received from FCM
 Generate complete daily statement (*)
 Zero positions at the end of the day (*)
 Zero balances too
 One Up Account FCM: [None] (*)
 Block Account Size: []
 Account Trading Times From: [] To: [] Time Zone: [Change]
 Allow liquidation orders outside account trading times

Perform Reconciliation For This Account? Yes No Use FCM Setting
 Default Account
 Allow externally provided execution account

Routing Options

Enable/Disable Routes:
To enable a route check the box to the left of the route name.
To disable a route uncheck the box to the left of the route name.

Account Information

2. Assign the account a number in the **FCM Account Number** field. This will be the account number that will be included in Tag 1 for any the trade message associated with this account.
3. Name the account.
4. In the Sales Series drop down menu select either Agent or Principal to describe the account type. This is a required field. Do NOT select either BLOCK/EFRP or ATS in this field.
5. Select an account type based on the choices. This is the CTI Code:

Own Account: an account for the member (CTI Code 1)

House Account: an account for the clearing firm (CTI Code 2)

Another Member: an account for another member on the exchange floor (CTI Code 3)

Customer Account: an account for any other Customer (CTI Code 4)

6. The Account Settings and Routing Options are not used by NFX.
7. Click Save.

The following fields are required to be populated for each Account:

1. Trader ID
2. Last Name
3. First Name
4. Ability to declare ATS

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