

## Rule Self-Certification

January 15, 2013

Office of the Secretary  
Commodity Futures Trading Commission  
Three Lafayette Center  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

Re: Rule E10 Market Makers and Liquidity Providers  
Reference File SR-NFX-2013-01

Ladies and Gentlemen:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Sections 40.6 of the regulations promulgated by the Commodity Futures Trading Commission under the Act, the NASDAQ OMX Futures Exchange, Inc. (“NFX” or “Exchange”) is submitting amendments to Rules E2 (Definitions), E10 (Market Makers and Liquidity Providers) and the Fee Schedule. The amendment will be effective on January 31, 2013.

Rule E10(j) sets forth procedures to approve Market Makers and obligations of Market Makers. Currently, a Market Maker does not have a quoting obligation, however, if and when a Market Maker does quote, he or she is required to provide both bids and offers with a maximum bid/ask spread of 500 ticks and a minimum of 10 contracts. The Exchange is proposing to eliminate the requirements that a Market Maker provide both bids and offers with a maximum bid/ask spread of 500 ticks and a minimum of 10 contracts and instead simply require that a Market Maker submit a two-sided market. The Exchange believes that this will encourage Market Makers to post liquidity on NFX.

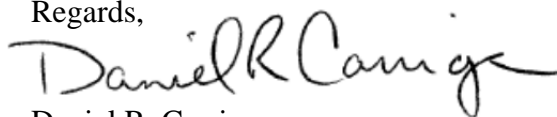
Additionally, the Exchange proposes to eliminate the term “Liquidity Provider” in Rule E10(k). Currently, a Liquidity Provider is a member or member organization of NFX that provides bids and offers through orders for its own account rather than quotes. The Exchange has not received applications from members or member organizations desiring to act as Liquidity Providers on NFX and has determined to eliminate this category of market participant. In connection with the elimination of Rule E10(k), the Exchange also proposes to eliminate the definition of a Liquidity Provider and references to Liquidity Providers in Rule E2. Finally, the Exchange proposes to eliminate the term Liquidity Provider along with pricing for Liquidity Providers from the Fee Schedule. The text of the amendments is set forth in Exhibit A.

There were no opposing views among the NFX’s Board of Directors, members or market participants. NFX hereby certifies that the amendment complies with the Commodity Exchange

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Act and regulations thereunder. The Exchange also certifies that notice of pending certification and a copy of this submission have been concurrently posted on the Exchange's website at <http://www.nasdaqomxtrader.com/Micro.aspx?id=PBOToverview>.

Regards,

A handwritten signature in black ink that reads "Daniel R. Carrigan". The signature is written in a cursive style with a large, prominent "D" and "C".

Daniel R. Carrigan  
President

cc: Mr. J. Goodwin  
National Futures Association

## Exhibit A

*New text is underlined; deleted text is in brackets.*

### NASDAQ OMX Futures Exchange Rules

#### *Rule E2. Definitions and Rules of Construction*

(a) When used in these Rules, these terms have the following meanings:

\* \* \* \* \*

**[Liquidity Provider.** The term "Liquidity Provider" means a Member or Member Organization approved by the Exchange to undertake rights and obligations to facilitate an orderly and liquid market as a Liquidity Provider for one or more Contracts pursuant to Rule E10. A Liquidity Provider is not a Market Maker.]

**Market Data.** The term "Market Data" means any and all price, quantity, and time data from any and all bids and offers submitted to, and trades executed by or through, NFX XL, any data derived from the foregoing, the format and presentation of any such data or information, and the transmissions of such data or information to Members, Member Organizations, any party that has entered into an agreement with the Exchange to distribute the above-described data or information or other Person.

**Market Maker.** The term "Market Maker" means a Member or Member Organization approved by the Exchange to undertake rights and obligations to facilitate an orderly and liquid market as a Market Maker for one or more Contracts pursuant to Rule E10. [A market Maker is not a Liquidity Provider.]

\* \* \* \* \*

#### **Rule E10. Market Makers and Liquidity Providers**

(a) – (i) No Change

(j) Market Makers shall have no obligation to quote. However, when and if they are quoting gold futures contracts for which they are approved Market Makers they are required to [provide both bids and offers with a (iii) maximum bid/ask spread of 500 ticks and (iv) minimum size of 10 contracts.] submit a two-sided market.

[(k) A Liquidity Provider is a Member or Member Organization that provides bids and offers through Orders for its own account rather than Quotes. Members and Member Organizations may request Exchange approval to act as Liquidity Providers in one or more contracts. The Exchange may approve, condition or terminate approval of Liquidity Providers based upon the same evaluation criteria used to approve, condition or terminate approval of Market Makers.

Therefore, references to "Market Makers" and "quotes" or "quoting" in sections (a) through (i) above shall be deemed to also include "Liquidity Providers" and "Orders" or "entering Orders". A Liquidity Provider shall have no obligation to enter Orders. However, when and if Liquidity Providers enter Orders in gold futures contracts for which they are approved to act as Liquidity Providers they are required to provide both bids and offers with a (iii) maximum bid/ask spread of 500 ticks and (iv) minimum size of 10 contracts. Approval to act as a Liquidity Provider shall be for a one year period, after which the Liquidity Provider may once again request approval to be a Liquidity Provider pursuant to this rule for another year. There shall be no limit to the number of years for which a Member or Member Organization may request approval to act as a Liquidity Provider.]

\* \* \* \* \*

**NASDAQ OMX FUTURES EXCHANGE, INC. ("NFX")  
FEE SCHEDULE**

\* \* \* \* \*

**PREFACE**

For purposes of assessing fees, the following references should serve as guidance.

[The term "**Liquidity Provider**" means a member or member organization, approved by the Exchange to undertake rights and obligations to facilitate an orderly and liquid market, as a Liquidity Provider, and provide bids and offers through orders for its own account rather than quotes pursuant to Rule E10. The term "Liquidity Provider" applies to any transaction which occurs in an account assigned by the Exchange for the purpose of transacting orders as a Liquidity Provider. ]

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**Section I – Transaction Charges**

**A. World Currency Futures Contract Transaction Charges:**

- a. Customer: \$0.40 per contract side
- b. Firm: \$0.40 per contract side
- c. Market Marker: \$0.00 per contract side
- [d. Liquidity Provider: \$0.40 per contract side ]

**B. XAU/USD Spot Gold Futures Transaction Charges:**

- a. Customer: \$0.18 per contract side
- b. Firm: \$0.18 per contract side
- c. Market Marker: \$0.18 per contract side
- [d. Liquidity Provider: \$0.18 per contract side ]

\* \* \* \* \*

### **C. Regulatory Fee**

\$175 per month\*

\* This Regulatory Fee would be waived for NFX members who incur a minimum of \$175 in transaction fees in a billing month. Market Makers [and Liquidity Providers] are exempt from the Regulatory Fee.