

Rule Self-Certification

September 28, 2012

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

Re: Rule 302. Clearing of Transactions
Rule E1. Electronic Trading Generally
Rule E12. Submission of Orders
Rule E19. Automated Order-Routing Systems
Reference File SR-NFX-2012-29

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 (“CFTC”) under the Act, the NASDAQ OMX Futures Exchange, Inc. (“NFX” or “Exchange”) is amending: Rule 302, entitled “Clearing of Transactions”; Rule E1, entitled “Electronic Trading Generally”; Rule E12, entitled “Submission of Orders”; and Rule E19, entitled “Automated Order Routing Systems”. The amendments will be effective on October 16, 2012, which is eleven business days from the date of filing of this proposal. The text of the amendments is set forth in Exhibit A.

NFX has determined to add the new language to comply with the requirements of the CFTC’s new Core Principles and Other Requirements for Designated Contract Markets, which was published in the Federal Register on June 19, 2012.¹ In this rulemaking, the CFTC adopted new and amended rules, guidance, and acceptable practices in its Part 38 rules to implement certain statutory provisions enacted by Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act. This CFTC rulemaking establishes extensive new requirements applicable to the operation of designated contract markets including NFX.

Specifically, §38.601 – §38.607 under Core Principle 11 (Financial Integrity of Transactions) require that the board of trade shall establish and enforce (i) rules and procedures for ensuring the financial integrity of transactions entered into on or through the facilities of the contract market (including the clearance and settlement of the transactions with a derivatives

¹ See 77 FR 36612 (June 19, 2012), available at:
<http://www.cftc.gov/ucm/groups/public/@Irfederalregister/documents/file/2012-12746a.pdf>.

clearing organization); and (ii) rules to ensure the financial integrity of any futures commission merchant and introducing broker and the protection of customer funds.

To comply with these requirements, the Exchange is amending its rules to: (i) require that all transactions executed on or subject to the rules of the Exchange must be cleared through the Options Clearing Corporation; and (ii) state that a market participant may access clearing through a trading account with a futures commission merchant or, in the case of a non-U.S. market participant, with a foreign broker or futures commission merchant, as those terms are defined in the rules of the CFTC, or, if applicable, as a clearing member. The Exchange also is amending its rules to limit direct access to its electronic trading system to member organizations that are future commission merchants or clearing members that are self-clearing their trades. Finally, the Exchange is amending its rulebook to make conforming changes and delete certain obsolete rule references.

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 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, stylized "D" and "C".

Daniel R. Carrigan
President

cc: Mr. J. Goodwin
National Futures Association

Exhibit A
Proposed Rule Amendments

New text is underlined; deleted text is in brackets.

NASDAQ OMX Futures Exchange Rules

Rule 302. Clearing of Transactions

All transactions executed on or subject to the rules of the Exchange must be cleared through the Options Clearing Corporation. A market participant may access clearing through a trading account with a futures commission merchant or, in the case of a non-U.S. market participant, with a foreign broker or futures commission merchant, as those terms are defined in the rules of the CFTC, or, if applicable, as a clearing member.

Rule E1. Electronic Trading Generally

NFX XL related activity is governed by Rules E1 through and including E38, which prevail in the event of any conflict with any other Exchange Rule. [Except for the General Trading Rules of Section 3 and Rules F1 - F37, the IDEX XT Electronic Trading System rules, which are inapplicable, a]All other Rules and By-Laws of the Exchange apply to NFX XL related activity unless expressly excluded from application.

Rule E12. Submission of Orders

(a) – (d) No change.

(e) [Members and]Until such time as the Exchange permits otherwise, direct access to NFX XL is limited to Member Organizations that are futures commission merchants or clearing members that are self-clearing their trades. Such Member Organizations [may permit]are not permitted to provide direct access to NFX XL to [be provided only to individuals physically located in the United States or in such other jurisdictions as the Exchange may designate from time to time and post on its website]any third person.

(f) No change.

Rule E19. Automated Order-Routing Systems

(a) If any [Member or]Member Organization provides any Customer, other Members or Member Organizations, or any other Person access to an electronic or automated order-routing system that enables the submitting of Orders [directly]to the NFX XL through the Member Organization's system, then that [Member or]Member Organization must:

(1) – (2) No change.

(3) adopt and enforce written procedures reasonably designed to prevent the order-routing system from being used to create undue financial risks for the Member or the Member Organization or its other Customers, including the Member Organization's use of pre-trade risk limits or controls;

(4) – (5) No change.

(b) A [Member or]Member Organization is fully responsible for all Orders submitted directly to NFX XL through its electronic or automated order-routing system as if the [Member or]Member Organization had placed each Order itself.
