

Rule Self-Certification

August 3, 2012

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

Re: Rule 55. Consent to Jurisdiction
Reference File SR-NFX-2012-21

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 adopting Rule 55 entitled “Consent to Jurisdiction.” The amendment will be effective on August 20, 2012 which is eleven business days from the date of filing of this proposal.

The text of the amendment to Rule 55 is set forth below. *New language is underlined.*

Rule 55. Consent to Jurisdiction

Any Person initiating or executing a transaction on or subject to the Rules of the Exchange directly or through an intermediary, and any Person for whose benefit such a transaction has been initiated or executed, expressly consents to the jurisdiction of the Exchange and agrees to be bound by and comply with the Rules of the Exchange in relation to such transactions, including, but not limited to, rules requiring cooperation and participation in investigatory and disciplinary processes.

NFX has determined to add the new language to comply with the requirements of the Commodity Futures Trading Commission’s (“CFTC”) 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 (“Dodd-Frank Act”).

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

This CFTC rulemaking establishes extensive new requirements applicable to the operation of designated contract markets (“DCMs”) including NFX.

Specifically, §38.151(a) under Core Principle 2 (Compliance with Rules) requires that prior to granting a member or market participant access to its markets, the DCM must require the member or market participant to consent to its jurisdiction. The Commission reasoned that this section “codifies jurisdictional requirements necessary to effectuate the statutory mandate of Core Principle 2 that a board of trade ‘shall have the capacity to detect, investigate, and apply appropriate sanctions to any person that violates any rule of the contract market.’”

To accomplish that mandate, the exchanges, in consultation with the staff of the Commission, have determined to adopt the uniform rule language set forth above in new NFX Rule 55. The exchange believes that the proposed rule will clarify that the exchange has jurisdiction and the ability to compel cooperation from all market participants in order to detect, investigate and apply appropriate sanctions in response to potential rule violations. To ensure that the scope and requirement of new Rule 55 (Consent to Jurisdiction) are clear to all market participants, NFX will post on its public website a list of exchange rules that apply to each category of market participants that is subject to exchange jurisdiction.

This filing is made pursuant to a delegation of authority from the NFX Board of Directors to senior management of the Exchange.² There were no opposing views among the Board of Directors, members or market participants. NFX hereby certifies that the amendment complies with the Commodity Exchange 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,



Daniel R. Carrigan
President

² NFX is seeking approval from the Board of Directors to file a rule proposal under CFTC Rule 40.05 seeking Commission approval of new Rule 55. NFX believes that such approval will strengthen NFX’s ability to obtain jurisdiction and compel cooperation consistent with the CFTC Rule 38.151(a).