Nasdaq Futures

Rule Self-Certification

November 11, 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**
Acceptable Orders
Reference File: SR-NFX-2015-81

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 three definitions in Chapter I to clarify the current definitions of "Implied Orders," "Order" and "Quote." Also, the Exchange amends Chapter IV, Section 4 to: (1) permit Iceberg Orders to be transacted as a Combination Order; (2) make clear which order types may currently be transacted as a Combination Order; and (3) make clear that only a Limit Order may generate an Implied Order. The amended rule text is attached as Exhibit A and will be implemented as of the Open Session on November 29, 2015 for trade date November 30, 2015.

Chapter I, Section 1 contains definitions applicable to the NFX Rulebook. The Exchange is amending the definition of "Implied Order" to make clear that an Implied Order may only be a Limit Order and to make other grammatical changes. The Exchange is amending the definition of "Order" to remove an unnecessary sentence which already exists in the definition of a "Quote." The Exchange is also correcting a typographical error in the definition of the word "Quote."

An Iceberg Orders is an Order where a portion of the Order is displayed and a portion of the Order is non-displayed. The Exchange is amending its rules to

permit Iceberg Orders to be transacted as Combination Orders in accordance with NFX Rules. The Exchange believes that permitting these Orders to be transacted as Combination Orders will offer market participants the opportunity to compete more effectively on NFX, by offering a similar order type as other futures exchanges offer today.

The Exchange also seeks to clarify current rules to make clear that Market Orders, Limit Orders and Market-to-Limit Orders may be transacted as Combination Orders. Also, the Exchange seeks to clarify its rules to make clear that only a Limit Order may generate into an Implied Order.

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

> • *Availability of Contract Information.* The Exchange has indicated within its trading Rules where specific information relates to a particular Contract. The Exchange provides detailed information within the contract specifications for that particular Contract. The Exchange also posts the terms and conditions of Exchange Contracts in its Rulebook along with trading Rules.

> • *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 and offers within a predetermined automated trade matching and execution algorithm. Orders submitted into the Trading System will be matched in Price-Time priority. The Exchange specifies the types of Orders that will be accepted by the Trading System in Chapter IV, Section 4.

> • *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 Chapter I, Section 1 and Chapter IV, Section 4 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 http://www.nasdaqomx.com/transactions/markets/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-2015-81 in any related correspondence.

Regards,

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

Section 1 Definitions

Unless otherwise specifically provided in the By-Laws or Rules of the Exchange or the context otherwise requires, the terms defined herein shall for all purposes of the By-Laws and Rules of the Exchange, have the meanings therein specified.

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Implied Orders. The term "Implied Orders" means a Limit Orders that are is automatically generated by the Trading System from a derived price. An "Implied Out Order" derives its price and quantity from resting Combination Strategy Orders and the aggregate of the respective legs which are at the best price for a Contract. An "Implied In Order" derives it price and quantity from the net differential from the best prices as between two contract months for a Contract. An Implied Order cannot be an FOK or IOC.

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Order. The term "Order" means any bid or offer. An Order may be a Market Order, Limit Order, Market-to-Limit Order, Stop Order, Stop Limit Order, Iceberg Order, TAS Order, Combination Order, Implied Order or Linked Order. Each Order may include one of the following time conditions: Day; Good till Canceled (GTC); Good till Dated (GTD); Fill or Kill (FOK) and Immediate or Cancel (IOC), except Market Orders which may be FOK or IOC, Implied Orders which may not be FOK or IOC and a Linked Order may not be GTC or GTD. These Orders shall have the respective meanings set forth in Chapter IV, Section 4, as well as any other types of Orders that may be approved by the Exchange from time to time. The term Order shall also refer to a Quote, except with respect to Combination Orders.

* * * * *

Quote. The term "Quote" means a bid and/or offer. Quotes will not be not accepted in the Combination Order Book. A Quote may be entered as a single Quote or as part of a mass Quote. If Quotes are entered as a mass Quote, the number of one-sided or two-sided Quotes is limited to twenty-nine (29) Instruments. The Trading System will replace a Quote submitted by an Authorized Trader with any new Quote that is subsequently submitted by that same Authorized Trader.

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Chapter IV Trading System

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Section 4 Acceptable Orders

Orders entered into the Trading System for display and/or execution, as appropriate, are executable against marketable contra-side Orders in the Trading System.

(a) Types of Orders accepted by the Trading System are as follows:

> (i) – (v) No change.
>
> (vi) Iceberg Order. An "Iceberg Order" is an Order where a portion of the Order is displayed and a portion of the Order is non-displayed. When the displayed quantity of the Iceberg Order is executed, a non-displayed portion of the remaining balance of the Order will be displayed in the Order Book as a new Order and will not retain its time priority. The non-displayed portion of the Order which becomes displayed after the original portion is executed will be equal to the original non-displayed quantity. Only if the volume is reduced for an Iceberg Order will it retain its position in the time-priority queue.
>
> (vii) No change.
>
> (viii) Combination Orders.
>
> > (i) Combination Orders or "Combination Strategies" will be traded in a separate Order Book pursuant to the Rules in Chapter IV, Section 5. The Combination Order Book will not accept Quotes, only Orders will be accepted into the Combination Order book. Combination Orders may be originated (adding Expiries, Contracts and trading symbols), by either: (i) the Exchange; or (ii) a Futures Participant or its Authorized Traders or Authorized Customers. Combination Orders will first execute against respective legs of Orders before executing against other Combination Orders within the Combination Order Book. Combination Orders shall not update the prices of the respective legs of such Combination Orders in their respective Order Book. The Exchange will disseminate Combination Orders through ITCH and FIX protocols. The following order types may be Combination Orders: Market Orders, Limit Orders, Market-to-Limit Orders and Iceberg Orders.
> >
> > (ii) and (iii) No change.
>
> (ix) Implied Orders.
>
> > (i) Implied Orders will be traded in the Trading System pursuant to the Rules in Chapter IV, Section 5. Implied Orders will only be generated if those Limit Orders are at or improve the BBO of the respective legs at the minimum increment of the respective Contract. The Exchange

will disseminate Implied Out Orders through ITCH and FIX protocols, except for Inter-Commodity Spreads. Implied In Orders will not be disseminated. Implied Out Orders are not accepted for Inter-Commodity Combination Orders.

(x) and (xi) No change.

(b) No change.

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