

## Rule Self-Certification

August 14, 2012

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

Re: Regulation 40.5 Request for Expedited Approval: Consent to Jurisdiction  
Reference File SR-NFX-2012-22

Ladies and Gentlemen:

NASDAQ OMX Futures Exchange, Inc. (“NFX” or “Exchange”) pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.5 hereby voluntarily submits for Commission review and expedited approval a request to adopt new Rule 55 (“Consent to Jurisdiction”).

Rule 55 is being adopted 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.<sup>1</sup> 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”). This CFTC rulemaking establishes extensive new requirements applicable to the operation of designated contract markets (“DCMs”) including NFX. As Regulation 38.151(a) becomes effective on August 20, 2012, the Exchange requests that the adoption of Rule 55 also become effective on August 20, 2012.<sup>2</sup>

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

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

<sup>2</sup> On August 3, 2012, NFX also filed a rule self-certification pursuant to Regulation 40.6 to adopt Rule 55. See SR-NFX-2012-21.

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.

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. A list of those rules are attached hereto as Exhibit A.

This filing is made pursuant to approval from the NFX Board of Directors on August 14, 2012. 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

cc: Mr. J. Goodwin  
National Futures Association

**Exhibit A**

**SCOPE OF APPLICABLE RULES PURSUANT TO EXCHANGE RULE 55**

Rules 1-100

Rules 102 (g) and (h)

Rules 212

Rules 401-414 Disciplinary Rules

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