Rule Self-Certification

September 5, 2013

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

Re: Regulation §40.6 Submission Certification
         Amending Acceptable Trade Range Rule and a Futures Trader Alert
         Reference File SR-NFX-2013-17

Ladies and Gentlemen:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended ("Act"), and §40.6 of the regulations promulgated by the Commodity Futures Trading Commission under the Act, the NASDAQ OMX Futures Exchange, Inc. ("Exchange") submits this self-certification to amend its trading rules at Chapter IV, Section 9 to revise a rule concerning Acceptable Trade Range. In addition, the Exchange is filing a Futures Trader Alert to update its Trading System settings. These amendments will be effective on September 20, 2013.

The Exchange is revising Chapter IV, Section 9 entitled "Acceptable Trade Range." Currently, the Rule provides that prior to executing Orders received by the Exchange an Acceptable Trade Range is calculated to determine the range of prices at which Orders may be executed. When an Order is initially received, the threshold is calculated by adding (for buy Orders) or subtracting (for sell Orders) a value, which is set by the Exchange by Contract and included in the contract specifications, to the NASDAQ BBO to determine the range of prices that are valid for execution. Upon receipt of a new Order, the reference price is the NASDAQ BBO or the last price at which the Order is posted whichever is higher for a buy Order or lower for a sell Order. If the Order reaches the outer limit of the Acceptable Trade Range (the "Threshold Price") without being fully executed, it will be posted at the Threshold Price for a brief period, not to exceed one second ("Posting Period"), to allow more liquidity to be collected. The Posting Period is specified in the Trading System settings. Upon posting, either the current Threshold Price of the Order or an updated NASDAQ BBO for buy Orders or for sell Orders (whichever is higher for a buy Order/lower for a sell Order) then becomes the reference price for calculating a new Acceptable Trade Range. If the Order remains unexecuted, a new Acceptable Trade Range will be calculated and the Order will execute or post up to the new Acceptable Trade Range Threshold Price. This process will repeat until the Order is executed, cancelled, or posted at its limit price. The Exchange is further amending the functionality to provide that the Order would be subject to a configurable number of instances of the Acceptable Trade Range as

determined by the Exchange not to exceed 10 iterations, in which case the Order would be returned. The Exchange would publish the maximum number of Acceptable Trade Range iterations within the range provided in the Rule, until the Order is cancelled on its website. The Exchange believes that the addition of configurable number of iterations when the Acceptable Trade Range would apply will provide Futures Participants with more certainty as to the application of the Rule. Overall the Acceptable Trade Range Rule should reduce the negative impacts of sudden, unanticipated volatility in Contracts and enhance the price-discovery process. The text of the rule change is stated in Exhibit A.

The Exchange is updating the Trading System settings which are posted on its website to include the exact number of iterations, not to exceed 10, that the Exchange would configure for the Acceptable Trade Range. Today, other Trading System settings are posted in a similar fashion on the Exchange's website. The number of configurable iterations setting of 5 falls within the range that is established by the Exchange within Chapter IV, Section 9. The aforementioned setting is a global setting and therefore would apply to all Contracts listed on the Exchange. The Exchange will disseminate the Futures Trader Alert attached as Exhibit B to notify Futures Participants of the new Trading System setting on the effective date of this filing. The Trading System settings table on the Exchange's website will also be updated as of the effective date. Any amendment to this setting within the range specified in the Exchange Rule will be updated via a Futures Trader Alert specifying the new value within that range. The Exchange would file to amend this setting if the Exchange desired to amend the range within which the setting was determined by the Exchange.
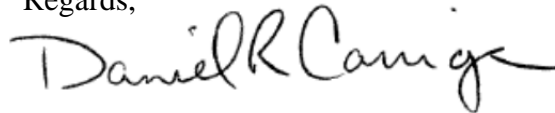
With respect to the designated contract market core principles ("Core Principles") as set forth in the Act:

> • *Compliance with Rules*: Today the Exchange has in place Rules which describe the manner in which Futures Participants may access and trade on the Exchange. Trading is subject to the Rules at Chapter III of the Exchange's Rulebook, which includes prohibitions against fraudulent, noncompetitive, unfair and abusive practices. Additionally, trading is subject to the trading rules in Chapter IV and trading procedures and standards in Chapter V of the Rulebook.

> • *Availability of Contract Information.* The Exchange has indicated within its Trading Rules where specific information relates to a particular Contract. The contract specifications contain detailed information for that particular Contract. The Exchange's Rulebook includes terms and conditions of Contracts along with Rules concerning its Trading System. This information appears on the Exchange's website.

> • *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 from the interaction of multiple bids and offers within a predetermined automated trade matching and execution algorithm. The Exchange specifies the types of Orders that will be accepted by the Trading System in Chapter IV, Section 3.

•*Availability of Information*. Identifying the various Trading System settings provides Futures Participants additional information concerning the operation of the market.

There were no opposing views among the Exchange's Board of Directors, members or market participants. The Exchange hereby certifies that the Rule amendment and the Futures Trader Alert comply 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.nasdaqtrader.com/Micro.aspx?id=NFX.

Regards,

Daniel R. Carrigan
President

cc: Nancy Markowitz
        Mr. J. Goodwin
        National Futures Association
        The Options Clearing Corporation

Exhibit A

New text is underlined; deleted text is in brackets.

NASDAQ OMX Futures Exchange – Rules

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Chapter IV Trading System

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Section 9 Acceptable Trade Range

(A) The Trading System will calculate an Acceptable Trade Range, which for purposes of this Rule is a limit to the range of prices at which an Order will be permitted to execute for each Contract, as designated by the Exchange for a Contract. The Acceptable Trade Range is calculated by taking the reference price, plus or minus a value to be determined by the Exchange (i.e., the reference price - (x) for sell Orders and the reference price + (x) for buy Orders). Upon receipt of a new Order, the reference price is the NASDAQ BBO or the last price at which the Order is posted whichever is higher for a buy Order or lower for a sell Order.

(B) If an Order reaches the outer limit of the Acceptable Trade Range (the "Threshold Price") without being fully executed, it will be posted at the Threshold Price for a brief period, not to exceed one second ("Posting Period"), to allow more liquidity to be collected. Upon posting, either the current Threshold Price of the Order or an updated NASDAQ BBO for buy Orders or for sell Orders (whichever is higher for a buy Order/lower for a sell Order) then becomes the reference price for calculating a new Acceptable Trade Range. If the Order remains unexecuted, a new Acceptable Trade Range will be calculated and the Order will execute or post up to the new Acceptable Trade Range Threshold Price. This process will repeat until the Order is (i) executed, cancelled, or posted at its limit price or (ii) the Order has been subject to a configurable number of instances of the Acceptable Trade Range as determined by the Exchange not to exceed 10 iterations, in which case the Order will be returned.

(C) During the Posting Period, the Exchange will disseminate as a quotation: (i) the Threshold Price for the remaining size of the Order triggering the Acceptable Trade Range and (ii) on the opposite side of the market, the best price will be displayed using an indicator message which indicates it is not currently available for execution. Following the Posting Period, the Exchange will return to a normal trading state and disseminate its Best Bid and Offer.

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Exhibit B

Futures Trader Alert #2013 - XX
NASDAQ OMX Futures Exchange Updates its Trading System Settings

Markets Impacted:

- The NASDAQ OMX Futures Exchange

Contact Information:

- Contact Market Operations at +1 215 496-1571

What you need to know:

• The Exchange is updating the Trading System Settings document which is posted on the Exchange's website to provide additional information regarding an Acceptable Trade Range setting applicable to the Trading System.

What are the Trading System Settings?

Pursuant to various Exchange Rules, the NASDAQ OMX Futures Exchange ("Exchange") has configured certain values within its Trading System. The Exchange posts information on its website concerning its Trading System settings in order to provide Futures Participants with a reference for such settings. The Trading System Settings will be updated as follows:

Description	Value	Products Impacted	Rule Reference
Market Order Cancel Timer	5 seconds	All products	Chapter IV, Section 3(a)(i)
Wait Order Suspend Timer	5 seconds for futures and 8 seconds for options	All products	Chapter V, Section 11(d)
Acceptable Trade Range Posting Period	1 second	All products	Chapter IV, Section 9(B)
Acceptable Trade Range Configurable Iterations	**5**	**All products**	**Chapter IV, Section 9(B)**
Order Spread Protection BBO width threshold	$25	10 Troy ounce gold	Chapter VIII, Section 14

How will the Exchange provide notification when the Trading System Settings change?

The Exchange will notify Futures Participants of changes to its Trading System Settings by issuing updated Futures Trader Alerts.

Where can I find additional information?

- Refer to the Trading System Settings page on the NASDAQ OMX Trader website.
- Contact Market Operations at +1 215 496-1571 or futures@nasdaqomx.com.