

SUBMISSION COVER SHEET

Confidential Treatment has not been requested

Organization Name: NASDAQ Futures, Inc.

Organization Type: DCM

Registered Entity Identifier:

Submission Number: 1607-1513-1207-64

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Submission Type: Rule - 40.6(a) Rule Certification

Submission Description: Rules Associated with Four New NFX Fuel Oil Futures Contracts.

Rule Numbers: Amendments to Rulebook Appendix A – Listed Contracts



Nasdaq Futures, Inc.
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Rule Self-Certification

July 15, 2016

Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, NW
Washington, DC 20581

Re: **Rule Certification for Various Rules Associated with
Four New Fuel Oil Futures Contracts
Reference File: SR-NFX-2016-69**

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Section 40.6 of the Commission’s regulations thereunder, NASDAQ Futures, Inc. (“NFX” or “Exchange”) hereby submits rules relating to block trade minimum quantity thresholds and reporting times, trading hours, daily settlement prices and non-reviewable ranges for four new fuel oil futures contracts (together, the “New Contracts”). The New Contracts are monthly cash settled futures contracts based on the arithmetic average of the mean of the high and low quotations from Platts European Marketscan or Platts Asia-Pacific Marketscan fuel oil assessments identified in the New Contracts’ names for each business day that the assessment is determined during the contract month. The Exchange anticipates listing the New Contracts beginning July 31, 2016, for trade date August 1, 2016. The amendments proposed in this submission will be effective on the listing date.¹

¹ The Exchange is separately filing the New Contracts’ terms and conditions in SR-NFX-2016-68 pursuant to Commission Rule 40.2. References to the rulebook chapters corresponding to the New Contracts in the Introduction section of Rulebook Appendix A as well as language appearing elsewhere in new Rulebook Appendix A which is not underlined in Exhibit 1 hereto is being separately certified in SR-NFX-2016-68. Further, certain additional

The name of each New Contract is set forth below, followed by its symbol in parentheses:

- NFX Fuel Oil 3.5% FOB Rotterdam Barges Financial Futures (BARQ)
- NFX Fuel Oil 3.5% FOB MED Cargoes Financial Futures (FOMQ)
- NFX Fuel Oil 380 CST Singapore Financial Futures (SYSQ)
- NFX Fuel Oil 180 CST Singapore Financial Futures (SZSQ)

The rule amendments proposed herein are attached to this letter in Exhibit 1 which amends Rulebook Appendix A, Listed Contracts.

Amendments to Rulebook Appendix A, Listed Contracts

Trading Hours. The Introduction to Rulebook Appendix A provides that unless otherwise specified by the Exchange, the regular Exchange trading days and hours for each contract, other than on the last trading day for the contract, will be Sunday - Friday, 7:00 PM EPT - 5:00 PM EPT, with a two hour break each day beginning at 5:00 PM EPT. Thus, the Monday trading session begins at 7:00 PM EPT on Sunday and ends at 5:00 PM EPT on Monday. Tuesday through Friday, each trading session begins at 7:00 PM EPT on the previous day and ends at 5:00 PM EPT. The Introduction to Rulebook Appendix A also provides that the last trading day for the contract terminates at the time specified in the rules specific to each contract. The New Contracts will have the regular Exchange trading days and hours. Each New Contract's rules set forth in Exhibit 1 hereto specify that trading ceases at 2:30 PM EPT on the last trading day.²

Block Trade Minimum Quantity Threshold and Reporting Times. Chapter IV, Section 11 of the Exchange's rulebook provides for execution of block trades and requires the Exchange to designate the contracts in which block trades shall be permitted and to determine the minimum quantity thresholds for such transactions. Section 11(F) requires Futures Participants to ensure that block trades are reported to the Exchange within the number of minutes of the time of execution (the "Reporting Window") specified in the rules for the particular contract.³ The New Contracts are eligible for block trades. The block trade minimum

language separately certified in SR-NFX-2016-68 is not duplicated in Exhibit 1 hereto but is instead, for purposes of brevity, represented by asterisks.

² See Rules 108.04, 109.04, 110.04, and 111.04.

³ See Rules Chapter IV, Section 11(F) provides: "Futures Participants must ensure that each Block Trade is reported to the Exchange within the number of minutes of the time of execution (the "Reporting Window") specified in the rules for the particular contract; except that Block Trades executed outside of Trading Hours must be reported within fifteen minutes of the commencement of the next Open Session of a Trading Session for that Contract. If the Block

quantity threshold for the New Contracts is set at 5 contracts and the Reporting Window for the New Contracts will be set at 15 minutes.⁴

Daily Settlement Price. Chapter V, Section 3 of the rulebook provides in part that the Exchange shall establish daily settlement prices at the time and using the methodology established by the Exchange as described in the contract specifications. The new rules provide that the daily settlement price shall be set by Exchange staff by 5:45 PM EPT or as soon as practicable thereafter based on price data from a number of sources including spot, forward and derivative markets for similar financial products. The Exchange uses these factors to determine a price that in its judgment is representative of the market at the time the daily settlement price is to be calculated. Further, the new rules contain the Exchange's standard language that if the daily settlement price described in the rule is unavailable, the Exchange may in its sole discretion establish a daily settlement price that it deems to be a fair and reasonable reflection of the market.⁵

Non-Reviewable Range. Chapter V, Section 5 of the rulebook provides that the Exchange, in its sole discretion, may in certain circumstances either cancel a transaction or adjust the execution price of a transaction in a contract that has taken place outside the non-reviewable range designated for the contract. The new rules set forth the amount above and below the "true market price" for the contract as set forth in the Exchange's Error Trade Policy that will constitute the non-reviewable range for the contract for purposes of Chapter V, Section 5.⁶ According to the Exchange's Error Trade Reference Guide, NASDAQ MarketWatch determines what the "true market price" for the relevant contract was immediately before the potential error trade occurred. In making such determination, NASDAQ MarketWatch may consider all relevant factors, including the last trade price for such contract, a better bid or offer price, a more recent price in a different contract month or series and the prices of related contracts trading on the Exchange or on other markets. The Exchange believes that the \$2.00 per metric ton no-bust range strikes an appropriate balance between trade certainty and erroneous price discovery.

Trade includes certain legs subject to a 5 minute Reporting Window and other legs subject to a 15 minute Reporting Window, the reporting requirement for the transaction will be 15 minutes. The report must include the Contract, contract month, price, quantity of the transaction, the respective Clearing Futures Participants, the time of execution, and, for Options on Futures, strike price, put or call and expiration month. The Exchange shall promptly publish such information separately from the reports of transactions in the regular market. Failure to timely and accurately report Block Trades may subject the Futures Participant to disciplinary action."

⁴ See Rules 108.08, 109.08, 110.08, and 111.08.

⁵ See Rules 108.06(b) and (d), 109.06(b) and (d), 110.06(b) and (d), and 111.06(b) and (d).

⁶ See Rules 108.10, 109.10, 110.10, and 111.10.

DCM Core Principles

The Exchange has reviewed the designated contract market core principles (“Core Principles”) as set forth in the Act in connection with the amendments presented herein. Consistent with Core Principle 7 - Availability of General Information, the Exchange will post general information, including the NFX Rulebook as amended herein, on its website: business.nasdaq.com/futures.

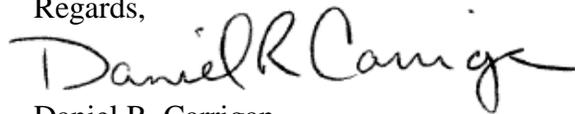
With respect to the block trade amendments set forth in Exhibit 1 and Core Principle 9 - Execution of Transactions, the New Contracts will be listed for trading on the Exchange’s electronic trading system as well as by submission as block trades and Exchange for Related Position transactions pursuant to Exchange rules. The Exchange’s trading system provides a transparent, open and efficient mechanism to electronically execute trades in the New Contracts.

Certifications

There were no opposing views among NFX’s Board of Directors, members or market participants. The Exchange hereby certifies that the rule amendments set forth herein comply with the Act and the Commission’s 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 business.nasdaq.com/futures.

If you require any additional information regarding this submission, please contact Carla Behnfeldt at (215) 496-5208 or Stephen Matthews at (301) 978-8458. Please refer to SR-NFX-2016-69 in any related correspondence.

Regards,



Daniel R. Carrigan
President

Attachment:

Exhibit 1: Amendments to Rulebook Appendix A – Listed Contracts

Exhibit 1 to SR-NFX-2016-69

New language is underlined.

Rulebook Appendix A - Listed Contracts

Introduction

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Exchange for Related Position

The Exchange has designated all listed contracts in Rulebook Appendix A as eligible for Exchange for Related Position transactions subject to Chapter IV, Section 12. No EFRP transactions may be submitted to the Exchange following the termination of trading on the last trading day.

Table of Listed Contracts

CHAPTER	PRODUCT NAME AND SYMBOL
	OIL AND REFINED PRODUCTS
	* * * * *
108	NFX Fuel Oil 3.5% FOB Rotterdam Barges Financial Futures (BARQ)
109	NFX Fuel Oil 3.5% FOB MED Cargoes Financial Futures (FOMQ)
110	NFX Fuel Oil 380 CST Singapore Financial Futures (SYSQ)
111	NFX Fuel Oil 180 CST Singapore Financial Futures (SZSQ)
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Chapter 108 NFX Fuel Oil 3.5% FOB Rotterdam Barges Financial Futures (BARQ)

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108.04 Last Trading Day

Trading for a particular contract month terminates on the last business day of the contract month. Trading ceases at 2:30 PM EPT on the last trading day.

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108.06 Final and Daily Settlement and Settlement Prices

(a) Final settlement for contracts held to their maturity date is by cash settlement in U.S. dollars.

(b) Pursuant to Chapter V, Section III, the daily settlement price will be set by Exchange staff by 5:45 PM EPT or as soon as practicable thereafter based on price data from a number of sources including, spot, forward and derivative markets for similar financial products..

(c) Pursuant to Chapter V, Section III, the final settlement price is equal to the arithmetic average of the mean of the high and low quotations from Platts European Marketscan for 3.5% Fuel Oil under the heading "Barges FOB Rotterdam" assessment for each business day that it is determined during the contract month.

(d) If the daily settlement price described in (b) above is unavailable the Exchange may in its sole discretion establish a daily settlement price that it deems to be a fair and reasonable reflection of the market. If the final settlement price is not available or the normal settlement procedure cannot be utilized due to a trading disruption or other unusual circumstance, the final settlement price will be determined in accordance with the Rules and By-Laws of the Clearing Corporation.

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108.08 Block Trade Minimum Quantity Threshold and Reporting Window

Pursuant to Chapter IV, Section 10, block trades shall be permitted with a minimum quantity threshold of 5 contracts and the Reporting Window shall be fifteen minutes.

* * * * *

108.10 Non-Reviewable Range

For purposes of Chapter V, Section 5, the non-reviewable range shall be from \$2.00 above to \$2.00 below the true market price for the Contract as set forth in the Exchange's Error Trade Policy.

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Chapter 109 NFX Fuel Oil 3.5% FOB MED Cargoes Financial Futures (FOMQ)

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109.04 Last Trading Day

Trading for a particular contract month terminates on the last business day of the contract month. Trading ceases at 2:30 PM EPT on the last trading day.

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109.06 Final and Daily Settlement and Settlement Prices

(a) Final settlement for contracts held to their maturity date is by cash settlement in U.S. dollars.

(b) Pursuant to Chapter V, Section III, the daily settlement price will be set by Exchange staff by 5:45 PM EPT or as soon as practicable thereafter based on price data from a number of sources including, spot, forward and derivative markets for similar financial products.

(c) Pursuant to Chapter V, Section III, the final settlement price is equal to the arithmetic average of the mean of the high and low quotations from the Platts European Marketscan for 3.5% Fuel Oil under the heading "Cargoes FOB Med Basis Italy" assessment for each business day that it is determined during the contract month.

(d) If the daily settlement price described in (b) above is unavailable the Exchange may in its sole discretion establish a daily settlement price that it deems to be a fair and reasonable reflection of the market. If the final settlement price is not available or the normal settlement procedure cannot be utilized due to a trading disruption or other unusual circumstance, the final settlement price will be determined in accordance with the Rules and By-Laws of the Clearing Corporation.

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109.08 Block Trade Minimum Quantity Threshold and Reporting Window

Pursuant to Chapter IV, Section 10, block trades shall be permitted with a minimum quantity threshold of 5 contracts and the Reporting Window shall be fifteen minutes.

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109.10 Non-Reviewable Range

For purposes of Chapter V, Section 5, the non-reviewable range shall be from \$2.00 above to \$2.00 below the true market price for the Contract as set forth in the Exchange's Error Trade Policy.

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Chapter 110 NFX Fuel Oil 380 CST Singapore Financial Futures (SYSQ)

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110.04 Last Trading Day

Trading for a particular contract month terminates on the last business day of the contract month. Trading ceases at 2:30 PM EPT on the last trading day.

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110.06 Final and Daily Settlement and Settlement Prices

(a) Final settlement for contracts held to their maturity date is by cash settlement in U.S. dollars.

(b) Pursuant to Chapter V, Section III, the daily settlement price will be set by Exchange staff by 5:45 PM EPT or as soon as practicable thereafter based on price data from a number of sources including, spot, forward and derivative markets for similar financial products..

(c) Pursuant to Chapter V, Section III, the final settlement price is equal to the arithmetic average of the mean of the high and low quotations from the Platts Asia-Pacific Marketscan for Singapore High Sulfur Fuel Oil 380cst (Waterborne Cargo) assessment for each business day that it is determined during the contract month.

(d) If the daily settlement price described in (b) above is unavailable the Exchange may in its sole discretion establish a daily settlement price that it deems to be a fair and reasonable reflection of the market. If the final settlement price is not available or the normal settlement procedure cannot be utilized due to a trading disruption or other unusual circumstance, the final settlement price will be determined in accordance with the Rules and By-Laws of the Clearing Corporation.

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110.08 Block Trade Minimum Quantity Threshold and Reporting Window

Pursuant to Chapter IV, Section 10, block trades shall be permitted with a minimum quantity threshold of 5 contracts and the Reporting Window shall be fifteen minutes.

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110.10 Non-Reviewable Range

For purposes of Chapter V, Section 5, the non-reviewable range shall be from \$2.00 above to \$2.00 below the true market price for the Contract as set forth in the Exchange's Error Trade Policy.

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Chapter 111 NFX Fuel Oil 180 CST Singapore Financial Futures (SZSQ)

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111.04 Last Trading Day

Trading for a particular contract month terminates on the last business day of the contract month. Trading ceases at 2:30 PM EPT on the last trading day.

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111.06 Final and Daily Settlement and Settlement Prices

(a) Final settlement for contracts held to their maturity date is by cash settlement in U.S. dollars.

(b) Pursuant to Chapter V, Section III, the daily settlement price will be set by Exchange staff by 5:45 PM EPT or as soon as practicable thereafter based on price data from a number of sources including, spot, forward and derivative markets for similar financial products..

(c) Pursuant to Chapter V, Section III, the final settlement price is equal to the arithmetic average of the mean of the high and low quotations from the Platts Asia-Pacific Marketscan for Singapore High Sulfur Fuel Oil 180cst (Waterborne Cargo) assessment for each business day that it is determined during the contract month.

(d) If the daily settlement price described in (b) above is unavailable the Exchange may in its sole discretion establish a daily settlement price that it deems to be a fair and reasonable reflection of the market. If the final settlement price is not available or the normal settlement procedure cannot be utilized due to a trading disruption or other unusual circumstance, the final settlement price will be determined in accordance with the Rules and By-Laws of the Clearing Corporation.

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111.08 Block Trade Minimum Quantity Threshold and Reporting Window

Pursuant to Chapter IV, Section 10, block trades shall be permitted with a minimum quantity threshold of 5 contracts and the Reporting Window shall be fifteen minutes.

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111.10 Non-Reviewable Range

For purposes of Chapter V, Section 5, the non-reviewable range shall be from \$2.00 above to \$2.00 below the true market price for the Contract as set forth in the Exchange's Error Trade Policy.

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