January 16, 2020 Nasdaq Futures, Inc.

FMC Tower, Level 8,

Christopher J. Kirkpatrick 2929 Walnut Street

Office of the Secretariat Philadelphia, PA 19104 / USA

Commodity Futures Trading Commission

Three Lafayette Center business.nasdaq.com/futures

1155 21st Street, NW

Washington, DC 20581

**Rule Self-Certification: Rule Certification to Establish a Rebate Program for Closing Open Interest in Tanker Freight Futures Contracts**

**Reference File: SR-NFX-2020-01**

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”) submits this self-certification to establish a rebate program for certain Tanker Freight Transactions. The rule change will take effect on January 31, 2020 for trade date February 3, 2020.

**Closing Tanker Freight OI**

On November 12, 2019, NFX announced it sold the core assets of the Exchange to EEX Group. The Exchange is now encouraging market participants to close existing open interest (“OI”) in Dry Freight, U.S. Power, U.S. Natural Gas and Crude Oil on the Exchange and establish substantially identical positions on the EEX platform, or its subsidiary, Nodal Exchange (“Nodal”). The Exchange is working closely with EEX and Nodal to facilitate this process of migrating OI. The migration process involves identifying OI on NFX, matching those positions with equal and opposite positions on the Exchange and then entering closing transactions to reduce OI to zero. Market participants seeking to move their OI to EEX or Nodal may then establish substantially similar positions on one of those two platforms.

NFX has already conducted matching sessions in Dry Freight, and is planning to conduct similar matching sessions in U.S. Power, U.S. Natural Gas and Crude Oil. Neither EEX nor Nodal plans to list Tanker Freight futures contracts (Tanker Freight) on their platform in the immediate future. In light of that fact, and in order to defray the costs borne by our membership and their customers in moving their OI to an alternative Designated Contract Market (“DCM”), the Exchange is implementing a Tanker Freight Rebate Program (the “Rebate Program”).

Under the terms of the Rebate Program, NFX will offer a rebate of up to $5,000 for current market participants holding OI in Tanker Freight that close their position on NFX. In order to qualify for the rebate, the market participant must have held OI in Tanker Freight as of January 1, 2020, closed their entire Tanker Freight position by January 31, 2020, and finally, such closing transaction must simultaneously reduce all NFX Tanker Freight OI to zero. Participants in the Rebate Program will be required to provide documentation of brokerage, exchange and clearing fees incurred when moving Tanker Freight OI from NFX to another DCM. [[1]](#footnote-1)

The Exchange believes the Rebate Program complies with the Core Principles and the Act. In particular, the Rebate Program complies with Core Principles 2 (Compliance with Rules) and 7 (Availability of General Information). The Rebate Program will be available to any market participant that satisfies the criteria outlined above. 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](http://business.nasdaq.com/nasdaq-futures/nfx-market).

**Certifications**

There were no opposing views among NFX’s Board of Directors, members or market participants. The Exchange hereby certifies that the rule amendment set forth herein complies 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: [business.nasdaq.com/futures](http://business.nasdaq.com/nasdaq-futures/nfx-market).

If you require any additional information regarding this submission, please contact Aravind Menon at (301) 978-8416 or aravind.menon@nasdaq.com. Please refer to SR-NFX-2020-01 in any related correspondence.

Regards,



Kevin Kennedy

Chief Executive Officer

Attachment: Exhibit A – NFX Rebate Program for Closing Open Interest in Tanker Freight Futures Contracts

1. The rebate will compensate the market participant up to a maximum amount of $5,000 for expenses incurred in establishing a similar Tanker Freight position on another DCM. [↑](#footnote-ref-1)