January 17, 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

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1155 21st Street, NW

Washington, DC 20581

**Rule Self-Certification: Rule Certification Establishing the Energy Futures Clearing Fee Rebate Program**

**Reference File: SR-NFX-2020-02**

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 an Energy Futures Clearing Fee Rebate Program. The rule change will take effect on February 3, 2020 for trade date February 4, 2020.

**Closing Energy Futures 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 European Energy Exchange (“EEX”), 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, with all Dry Freight OI anticipated to close by February 1, 2020. The Exchange is also planning to conduct similar matching sessions in U.S. Power, U.S. Natural Gas and Crude Oil (“Energy Futures”). To aide market participants in transferring their OI in Energy Futures to Nodal, the Exchange is implementing an Energy Futures Clearing Fee Rebate Program (the “Rebate Program”) that will allow market participants to apply to NFX for a rebate of all clearing fees incurred when closing OI on NFX.

Under the terms of the Rebate Program, NFX will provide all market participants a rebate of the clearing fee assessed by the Options Clearing Corporation (“OCC”) to close existing Energy Futures OI. The rebate will be available for all Energy Futures transactions executed between February 1, 2020 and April 1, 2020 (the “Rebate Period”), on the condition that all Energy Futures OI held by the market participant is closed during the Rebate Period.[[1]](#footnote-1) Participants in the Rebate Program will be required to provide documentation of the clearing fees assessed by OCC in closing all Energy Futures OI.

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-2020-02 in any related correspondence.

Regards,



Kevin Kennedy

Chief Executive Officer

Attachments: NFX Energy Futures Clearing Fee Rebate Program

1. NFX will pay no Rebate under the Rebate Program if, at the end of the Rebate Period, the market participant continues to hold OI in any Energy Futures contract. [↑](#footnote-ref-1)