**Rule Self-Certification**

January 18, 2018

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 an**

**Amendment to the Quote Liquidity Provisioning Program**

**Reference File: SR-NFX-2018-05**

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 include new pricing information for the quote liquidity provisioning program (the “QLP Program”) for energy contracts that the Exchange has listed pursuant to Appendix A of the Exchange Rulebook (the “Energy Contracts”), as may be amended from time to time.[[1]](#footnote-1) The changes to the QLP Program attached hereto will become effective on February 1, 2018.

Specifically, the Exchange is adding a new pricing structure for the Power contracts as outlined below:

QLP Fee Schedule for Power

Peak – 50 MW $1.50 Block: $0.05

Peak – 5 MW $0.11 Block: $0.05

Peak – 1 MW $0.00 Block: $0.01

Off-Peak – 50 MWh $0.05 Block: $0.05

Off-Peak – 25 MWh $0.00 Block: $0.03

Off-Peak – 5 MWh $0.00 Block: $0.01

PJOQ Options: $1.50 Block: $0.05

PMQ Options: $0.70 Block: $0.05

Participants in the QLP Program are recognized using the process described in SR-NFX-2017-30. NFX has up to 30 Recognized Quote Liquidity Providers (“RQLPs”) participating at any particular time, and the program is open to all NFX Futures Participants or NFX Futures Participant’s Authorized Customers, and there is no cap on numbers participating.

The QLP Program is intended to be a complement to the Exchange’s Energy DMM Program, but differs in its sourcing of liquidity provisioning. The purpose of the QLP Program is to support liquidity in the Energy Contracts by recruiting RQLPs to respond to Request for Quotes (“RFQ”) either in the Exchange’s Order Book or via off-Exchange brokered markets. A RFQ means an indication of intent to buy or sell a specified quantity of an Energy Contract. A RFQ in the Order Book must specify whether it is a buy or sell and the quantity interest in the Energy Contract. A RFQ is not an Order. A RFQ in the off-Exchange market (Block Trade) does not have the requirement to specify whether it is a buy or sell and the quantity interest in the Energy Contract. RQLPs may respond at will to RFQs.

The Exchange believes that the Program complies with Core Principle 4 (Monitoring of Trading), Core Principle 9 (Execution of Transactions) and Core Principle 12 (Protection of Market Participants). The QLP Program will not impact order execution priority or otherwise give participants any execution preference or advantage. The QLP Program will not impact the Exchange’s ability to perform its trade practice and market surveillance obligations under the Act and Exchange staff will monitor trading in the Program’s products to prevent manipulative trading and market abuse. Additionally, the Exchange has systems to monitor RQLPs performance. Finally, NFX rules include prohibitions against fraudulent, non-competitive, unfair or abusive practices.

The Exchange has reviewed the designated contract market 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](http://business.nasdaq.com/futures).

**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](http://business.nasdaq.com/futures).

If you require any additional information regarding this submission, please contact

Stephen Matthews at (301) 978-8458 or steve.matthews@nasdaq.com. Please refer to SR-NFX-2018-05 in any related correspondence.



Regards,

Daniel R. Carrigan

President

1. [See](http://nasdaqphlx.cchwallstreet.com/NASDAQPHLXTools/PlatformViewer.asp?selectednode=chp_1_1_1_9&manual=%2Fnasdaqomxphlx%2Fnfx%2Fphlx-brdtrade-rules%2F) [NFX Rulebook Appendix A – Listed Contracts](http://nasdaqomxphlx.cchwallstreet.com/NASDAQOMXPHLX/NFX/) [↑](#footnote-ref-1)