February 20, 2019 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 for Amendment to Position Limit & Accountability Levels for NFX Treasury Futures Contracts**

**Reference File: SR-NFX-2019-07**

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 amendments to Appendix B of the Exchange’s rulebook relating to position limits in the DV01 Treasury Futures contracts (“DV01 contracts”). The DV01 contracts were previously filed with the Commission pursuant to Section 40.2 of the Commission’s regulations.[[1]](#footnote-1) The Exchange anticipates the rule amendments going into effect on March 6, 2019 for trade date March 7, 2019.

**Exhibit 1 - Amendments to Rulebook Appendix B, Energy Products Position Limit & Accountability Chart**

Position Limits. NFX is amending Exhibit B, Energy Products Position Limit & Accountability Chart to clarify the position limits applicable to each of the DV01 contracts. The position limit for a DV01 contract is aggregated across the contract’s tenor.[[2]](#footnote-2) For example, NFX currently lists two 10-Year DV01 contracts, TYDG and TYDK. A market participant on NFX may hold up to 7,000 contracts in total between TYDG and TYDK. In the event a third 10-Year DV01 contract were issued, the market participant may not establish a position in the third 10-Year DV01 until they have reduced their position in either TYDG, TYDK or both. The maximum position across all three contracts within the 10-Year tenor would remain at 7,000, as noted in Exhibit B. This applies to each tenor of DV01 contract. In October of 2018, the Exchange filed a product certification for the second series in the 10-year DV01 contract.[[3]](#footnote-3) This filing added a line in Appendix B listing both 10-year DV01 contracts, each with its own position limit of 7,000. This amendment could give one the impression that the 7,000 contract limit applied to each DV01 contract individually, not aggregated across the entire 10-year tenor. NFX is now amending Exhibit B to remove any possible confusion regarding aggregation of DV01 contracts within tenors for position limit purposes.

**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](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 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/nasdaq-futures).

If you require any additional information regarding the submission, please contact Aravind Menon at (301) 978-8416 or aravind.menon@nasdaq.com. Please refer to SR-NFX-2019-07 in any related correspondence.

Regards,



Kevin Kennedy

Chief Executive Officer

Attachments:

Exhibit A: Amendments to Rulebook Appendix B – Energy Products Position Limit & Accountability Table

1. See SR-NFX-2018-18 NFX submission of rules, terms and conditions for U.S. 2-Year, 5-Year, 10-Year and 30-Year DV01 Treasury Futures contracts. [↑](#footnote-ref-1)
2. See SR-NFX-2018-47 - “Positions in U.S. 10-YR DV01 Treasury Futures (TYDG) contracts will be aggregated with positions in the currently-listed U.S. 10-YR DV01 Treasury Futures (TYDX) futures contract for position accountability and limits purposes.” [↑](#footnote-ref-2)
3. Id. [↑](#footnote-ref-3)