April 13, 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 Extending the Rebate Program for Closing Open Interest in Dry Freight Futures Contracts**

**Reference File: SR-NFX-2020-10**

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 extend the Rebate Program for certain Dry Freight Transactions. The rule change will take effect on April 27, 2020 for trade date April 28, 2020.

**Closing Dry Freight OI**

On November 12, 2019, NFX announced it sold the core assets of the Exchange to EEX Group. The Exchange encouraged market participants to close existing open interest (“OI”) in Dry Freight, U.S. Power and U.S. Natural Gas on the Exchange and establish substantially identical positions on the EEX platform, or its subsidiary, Nodal Exchange (“Nodal”). The Exchange has worked closely with EEX and Nodal to facilitate this process of migrating OI. The migration process involved 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 could then establish substantially similar positions on one of those two platforms.

NFX has conducted matching sessions in Dry Freight, U.S. Power, and U.S. Natural Gas. Roughly 90% of the Dry Freight OI on NFX has been closed and migrated to EEX. The remaining 10% represents market participants that are unable to migrate their OI to EEX for various reasons. These market participants have the option of moving their OI to another futures exchange offering Dry Freight Futures contracts. On March 16, 2020, the Exchange certified a rule change implementing a rebate program in order to defray the costs borne by our membership and their customers in moving their OI to an alternative futures exchange, the Dry Freight Rebate Program (the “Rebate Program”).[[1]](#footnote-1)

Under the terms of the Rebate Program, NFX will offer a rebate for current market participants holding OI in Dry Freight that close their position on NFX. Under the original terms of the Rebate Program, a market participant must have held OI in Dry Freight as of March 1, 2020 and closed their entire Dry Freight position by April 15, 2020. The Exchange is now extending the deadline, until May 15, 2020, for market participants to close their Dry Freight OI in order to obtain the rebate.

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-2020-10 in any related correspondence.

Regards,



Kevin Kennedy

Chief Executive Officer

1. See SR-NFX-2020-08. [↑](#footnote-ref-1)