April 16, 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

Three Lafayette Center business.nasdaq.com/futures

1155 21st Street, NW

Washington, DC 20581

**Rule Self-Certification: Rule Certification Removing Implied Order Functionality**

**Reference File: SR-NFX-2019-19**

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 rule amendments removing Implied Order functionality from the NFX trading system. The Exchange anticipates the rule amendments going into effect on April 30, 2019 for trade date May 1, 2019.

**Exhibit 1 - Amendments to Rulebook & Technical Reference Guides**

NFX is removing Implied Order functionality from the trading system. Implied

Order functionality is a process within the NFX trading system that allows for the aggregation of individual outright orders and the pairing of those individual orders to create the opposite side of a resting combination order. Once the individual outright orders are combined and matched against a combination order, the transaction is executed (traditionally referred to as “Implied-Out Orders”). Implied orders may also perform the opposite function, whereby combination orders are broken apart and used to match the appropriate opposite side of individual outright orders. The use of Implied Order functionality allows for the increase in matching of corresponding orders, both outrights and combination (traditionally referred to as “Implied-In Orders”).

While Implied Order functionality provides benefits to the marketplace, NFX is removing this functionality to allow for the adoption of new trading system enhancements that would not be compatible with Implied Orders in its current form. The Exchange is implementing these new trade system enhancements simultaneous with the removal of the Implied Order functionality and will reconsider the use of Implied Orders at a later date as market conditions dictate.

**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).

With respect to the execution of transactions on the NFX platform as required under Core Principle 9 - Execution of Transactions, the removal of Implied Order functionality will not interfere in any way with the traditional execution of transactions and the price discovery process. The Exchange’s trading system will continue to provide a transparent, open and efficient mechanism to electronically execute trades.

**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-2019-19 in any related correspondence.

Regards,



Kevin Kennedy

Chief Executive Officer

Attachments:

Exhibit A: Amendments to Rulebook Appendix A – Listed Contracts

Exhibit B: Amendments to NFX General Reference Guide

Exhibit C: Amendments to NFX Mass Quote Protection & Self-Match Prevention Reference Guide

Exhibit D: Amendments to NFX Standard Combination Orders Reference Guide

Exhibit E: Amendments to NFX Tailor Made Combinations Reference Guide

Exhibit F: Amendments to Combination & Implied Orders Technical Reference Document