SR-NFX-2019-19 Exhibit A

|  |
| --- |
| **NASDAQ Futures—Rules****DEFINITIONS****Chapter I Definitions and Governance of the Exchange****Section 1 Definitions****\*\*\*\*\*****Equilibrium Price**. The term "Equilibrium Price" means, with respect to the uncross, the price at which the lowest imbalance will execute with the most quantity, at a price closest to: (i) the last price; (ii) the prior day's Daily Settlement Price; or (iii) a price determined by NFX Market Operations. The Equilibrium Price may include Limit Orders, Market-to-Limit Orders, and Quotes and will exclude Market Order, Stop, Stop Limit Orders, Orders, and Fill or Kill Orders.**\*\*\*\*\*****\*\*\*\*\*****Order**. The term "Order" means any bid or offer. An Order may be a Market Order, Limit Order, Market-to-Limit Order, Stop Order, Stop Limit Order, Iceberg Order, TAS Order, or Combination Order. Each Order may include one of the following time conditions: Day; Good till Canceled (GTC); Good till Dated (GTD); Fill or Kill (FOK) and Immediate or Cancel (IOC), except Market Orders which may be FOK or IOC. These Orders shall have the respective meanings set forth in Chapter IV, Section 4, as well as any other types of Orders that may be approved by the Exchange from time to time.**\*\*\*\*\*****Chapter IV Trading System****\*\*\*\*\*****Section 4 Acceptable Orders**Orders entered into the Trading System for display and/or execution, as appropriate, are executable against marketable contra-side Orders in the Trading System.(a) Types of Orders accepted by the Trading System are as follows:(i)\*\*\*\*\* (vii) A Trading at Settlement or "TAS" Order. There are two types of TAS Order, a TAS Single Order and a TAS Combo Order (collectively "TAS Orders"). The Exchange will designate the Contracts in which TAS Orders are permitted in accordance with this Rule in the Contract Specifications. TAS Orders are not permitted for any trade date which is a U.S. federal holiday even if the Exchange is open for trading. TAS Orders are not permitted in any Options or EFRP transactions. Contracts eligible for TAS Orders are permitted in any minimum quantity or as Block Trades pursuant to the requirements of Chapter IV, Section 11.\*\*\*\*\*(ii) A TAS Combo Order is an Order to buy or sell a stated quantity of the relevant Intra-Commodity Spread ("Time Spread") at a price expressed as a differential (which may be zero) above or below the Daily Settlement Price for the second Contract on the trading day on which the TAS Combo Order is executed. TAS Combo Orders may not trade as Inter-Commodity Spreads. TAS Combo Orders may be priced in increments (plus or minus) of up to 10 minimum trading increments from the Daily Settlement Price for the second Contract. A TAS Combo Order executed at a zero differential will be filled and cleared at the Daily Settlement Price for the trading day for both legs of the Time Spread. The first leg of the Time Spread is priced at the Daily Settlement Price, as applicable, for that contract month. The second leg of the Time Spread is priced at the Daily Settlement Price, as applicable, for that contract minus the allowable TAS price increment traded, except in circumstances where the traded TAS price is the actual settlement or market price of the contract. (viii) Combination Orders.(i) Combination Orders or "Combination Strategies" will be traded in a separate Order Book pursuant to the Rules in Chapter IV, Section 5. Combination Orders may combine Futures Orders or Options Orders, but may not combine Futures and Options into one Combination Order. A Combination Order will be originated by adding Expiries, Contracts and trading symbols, by either: (i) the Exchange; or (ii) a Futures Participant or its Authorized Traders or Authorized Customers. A Combination Order executed in the Combination Order Book will price respective leg fills inside, at, or outside the respective leg's best bid or best offer. Combination Orders accepted by the Trading System may not exceed four (4) legs. Combination Orders consisting solely of Call or Put Options of the same underlying and Expiry but with different strikes must include at least one buy and one sell leg. Combination Orders shall not update the prices of the respective legs of such Combination Orders in their respective Order Book. The Exchange will disseminate Combination Orders through ITCH and FIX protocols. The following order types may be Combination Orders: Market Orders, Limit Orders and Market-to-Limit Orders, Iceberg Orders and TAS Orders.(ii) Types of Combination Orders accepted by the Trading System are as follows:(a) Call or Put Spread Orders are Orders to buy and sell two call (put) Options of the same underlying and Expiry but with different strikes.(b) Calendar (Horizontal) Spreads are buying and selling two call (put) Options of the same underlying and strike, but with different Expiries.(c) Time Spreads are buying and selling two Futures of the same underlying, but with different expirations(d) Straddles are buying a call Option and a put Option of the same underlying, expiration and strike.(e) Strangles are buying a call Option which is out of the money and a put Option which is out of the money of the same underlying and expiration, but with different strikes.(f) Butterfly Spreads are a Contract strategy consisting of three legs.(a) Butterfly Option Spreads consist of three put (call) Contracts with a minimum Lot Size of: one put (call) contract of the lower Contract strike price, two put (call) contracts of the middle Contract strike price, and one put (call) contract of the higher Contract strike price.(b) Butterfly Futures Spreads consist of three Contracts with a minimum Lot Size of: one near term Contract, two mid-term Contracts, and one further term Contract.(g) Condor and Iron Condor Spreads are a Contract strategy consisting of four legs.(a) Condor Options Spreads consist of four Contracts (all put or all call Contracts) with a minimum Lot Size of: one contract of the lower Contract strike price, one contract of a higher strike price, one contract of a higher strike, and one contract of a higher strike price.(b) Condor Futures Spreads consist of four Contracts with a minimum Lot Size of: one near term Contract, one further term Contract, one further term contract, and one further term contract.(c) Iron Condor Options Spreads consist of four Contracts (two put and two call Contracts) with a minimum Lot size of: one put (call) Contract of the lower strike price, one put (call) Contract of a higher strike price, one put (call) Contract of a higher strike price, and one put (call) Contract of a higher strike price.(h) Intra-Commodity Spreads (Time Spreads) are a Contract strategy which may be formed by buying and selling two Futures of the same underlying with different expirations. Intra-Commodity Spread Combinations may be formed with two different Future Expiries. The price ratio for the underlying legs will be configured to an integer of one. There will be no change to the trading tick size.(i) Inter-Commodity Spreads are a Contract strategy consisting of combinations which may be formed of two or three different underlying Futures Contracts. The price ratio for the underlying legs will be configured to an integer of less than one, but rounded to four decimal places to the right from an initial calculation of fourteen places. The minimum price interval for a respective leg price shall be one hundredth of a cent ($0.0001) versus its outright leg trading tick which may be 0.01.(j) Quarterly Strip Spreads are a Futures Contract strategy allowing for the simultaneous purchase or sale of three sequential contract months for the first, second, third or fourth quarter of a calendar year. The execution price for the transaction will be the average price of all contracts traded(iii) For the purpose of this Rule, a whole integer price is a Contract price that is divisible by one tick without remainder (e.g., one tick, two ticks, three ticks, etc.). In addition, the rule in the Contract specifications which defines a given Contract's minimum fluctuation will also define that Contract's whole integer and non-integer tick prices for the purposes of this Rule.(ix) Implied Orders.(i) Reserved (x) Reserved.(xi) Strip Order. An Order allowing for the simultaneous purchase or sale of a minimum of five and up to twelve sequential Futures Contracts. The execution price for the transaction will be the average price of all Contracts traded. (xii) Strip Calendar Spread. An Order allowing for the simultaneous purchase and sale of two individual Strip Orders. The execution price will equal the net price of the two individual Strip Orders. (xiii) Cal Day Order. An Order allowing for the purchase or sale of the exact number of calendar days, in the respective contract month, of the NFX Henry Hub Natural Gas Financial Futures - 2,500 (NNQ). Cal Day Orders will not interact with NNQ Orders or Quotes. The ticker symbol for Cal Day Order is QDAY.(xiv) One-Time Calendar Option: An Order allowing for the purchase or sale of a put or call option on a basket of yearly contract periods, January - December, of the underlying Reference Futures Contract. Each One-Time Calendar Option will exercise into the underlying Reference Futures Contract. The underlying Reference Futures Contract is the NFX PJM Western Hub Real-Time Peak One Time Calendar Year Financial Futures (PMXQ). One-Time Calendar Options will not interact with any other NFX PJM Western Hub Real Time Peak Options Orders or Quotes. One-Time Calendar Options will only trade as Day Limit Orders or Block Trades. The ticker symbol for One-Time Calendar Options will be 1XCAL. The execution price for the 1XCAL will be the same price for all options in the basket.\*\*\*\*\***Section 8 Order Price Limit Protection**Order Price Limit Protection is a feature of the Trading System that prevents certain Orders per Contract at prices outside of pre-set standard limits ("Order Price Limits") from being accepted by the Trading System. This protection applies to all Limit Orders but does not apply to FOK or IOC Market Orders. The Order Price Limits are established at prices above and below the Reference Price, as described in subsection (b) below.(a) \*\*\*\*\*(b) The Exchange shall establish Order Price Limits in the Contract rules applicable to the specific Contract. At the commencement of the Open Session, the reference price shall be (i) the prior Daily Settlement Price for the Contract, or (ii) in the event there is no prior Daily Settlement Price for the Contract, if the Contract is cash settled by reference to the price of a contract traded on another venue (the "Reference Contract"), the most recent Daily Settlement Price of the Reference Contract, or (iii) in the event the prior Daily Settlement Price is not reflective of the current market for either the Contract or the Reference Contract, a price determined by the Exchange to be a fair and reasonable reflection of the current market ("Reference Price"). Thereafter, the Reference Price shall be the most recent bid or offer (other than a FOK or IOC bid or offer) in the Contract, provided that the bid (offer) is higher (lower) than the current Reference Price, unless such bid (offer) resulted in an execution, in which case the new Reference Price shall be the last execution price. In the event there is no resting bid or offer in the Contract the Order Price Limit specified in the relevant contract rules will automatically double.\*\*\*\*\***Section 10 Self-Match Prevention**\*\*\*\*\*(b) If Self-Match is engaged, the Trading System will remove certain Orders or Quotes that would otherwise match with Orders or Quotes of Authorized Traders using the same Group MPID. \*\*\*\*\***Chapter V Trading Procedures and Standards****Section 1 Authorized Traders and Trader IDs**\*\*\*\*\***Section 10 Average Price Transactions**A Futures Participant that is a registered as a futures commission merchant may confirm for a Customer Account an average price when multiple execution prices are received on an Order (including Combination Orders) or series of Orders if all the following requirements are met:(a) The Customer has requested average price reporting and has received appropriate disclosure of the method used to calculate the average price.(b) Each Order is, or series of Orders are, for the same Customer Account or group of Customer Accounts.(c) Each Order is, or series of Orders are, for the same Contract, Expiry, market direction (i.e., purchase or sale), and Order instructions pursuant to Chapter IV, Section 4.(d) Each individual trade is submitted to, and cleared by, the Clearing Corporation at the price executed.(e) The Futures Participant calculates and confirms the weighted average mathematical price by (1) multiplying the number of contracts purchased or sold at each execution price by that price; (2) adding the results together; and (3) dividing the sum by the total number of contracts. For a series of Orders, the Futures Participant may compute the average price based on each Order in the series. The Futures Participant may confirm to the Customer either the actual average price or an average price rounded up for a buy Order, or rounded down for a sell Order, to the nearest price increment.(f) The applicable confirmation and monthly account statement provided to each relevant Customer indicates that the price represents an average price.(g) The Futures Participant does not average its proprietary trades with Customer trades that are subject to average price calculations.(h) The Futures Participant creates and maintains records (in accordance to Commission regulation 1.31) to support its average price calculations pursuant to this Rule and the allocations into Customer Accounts and makes those records available for inspection by the relevant Customers upon request.**Rulebook Appendix A - Listed Contracts****\*\*\*\*\*****Chapter 2002 U.S. 2-YR DV01 Treasury Futures****\*\*\*\*\*****2002.11 Order Type Exceptions.**The NFX trading system will not accept Tailor Made Combination Orders in U.S. 2-YR DV01 Treasury Futures.**\*\*\*\*\*****Chapter 2005 U.S. 5-YR DV01 Treasury Futures****\*\*\*\*\*****2005.11 Order Type Exceptions.**The NFX trading system will not accept Tailor Made Combination Orders in U.S. 5-YR DV01 Treasury Futures.**\*\*\*\*\*****Chapter 2010 U.S. 10-YR DV01 Treasury Futures****\*\*\*\*\*****2010.11 Order Type Exceptions.**The NFX trading system will not accept Tailor Made Combination Orders in U.S. 10-YR DV01 Treasury Futures.**\*\*\*\*\*****Chapter 2030 U.S. 30-YR DV01 Treasury Futures****\*\*\*\*\*****2030.11 Order Type Exceptions.**The NFX trading system will not accept Tailor Made Combination Orders in U.S. 30-YR DV01 Treasury Futures.**\*\*\*\*\*** |