April 25, 2018 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: Product and Rule Certification for New NFX**

**Tanker Freight Futures**

**Reference File: SR-NFX-2018-21**

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 rules relating to block trade minimum quantity thresholds and reporting times for NFX Tanker Freight Contracts (“Freight Contracts”). The Exchange anticipates listing the May 10, 2018, for trade date May 11, 2018. The amendments proposed in this submission shall be effective on the listing date.

The name of each Freight Contracts is listed below, followed by its symbol in parentheses:

* NFX BLPG1 VLGC Middle East Gulf-Japan Tanker Freight Financial Futures (LPGQ)
* NFX TC2 MR Continent-USAC 37,000 MT Tanker Freight Financial Futures (TC2Q)
* NFX TC5 LR 1 AG-Japan 55,000 MT Tanker Freight Financial Futures (TC5Q)
* NFX TC6 MR Algeria-Euromed Tanker Freight Financial Futures (TC6Q)
* NFX TC7 MR Singapore-East Coast Australia 30,000 MT Tanker Freight Financial Futures (TC7Q)
* NFX TC9 MR Baltic to UK-Cont 30,000 MT Tanker Freight Financial Futures (TC9Q)
* NFX TC12 MR West Coast India-Japan 35,000 MT Tanker Freight Financial Futures (T12Q)
* NFX TC14 MR US Gulf-Continent Tanker Freight Financial Futures (T14Q)
* NFX TC15 LR2 Med-Far East 80,000 MT Tanker Freight Financial Futures (T15Q)
* NFX TD3C VLCC Middle East Gulf-China 270,000 MT Tanker Freight Financial Futures (TD3Q)
* NFX TD7 Aframax North Sea-Continent Tanker Freight Financial Futures (TD7Q)
* NFX TD8 Aframax Kuwait-Singapore 80,000 MT Tanker Freight Financial Futures (TD8Q)
* NFX TD20 Suezmax West Africa-Continent 130,000 MT Tanker Freight Financial Futures (T20Q)

The rule amendments proposed herein are attached to this letter in Exhibit A which amends Rulebook Appendix A, Listed Contracts.[[1]](#footnote-1)

**Exhibit 1 - Amendments to Rulebook Appendix A, Listed Contracts**

Block Trade Minimum Quantity Threshold and Reporting Times. Chapter IV, Section 11 of the Exchange’s rulebook provides for execution of block trades and requires the Exchange to designate the contracts in which block trades shall be permitted and to determine the minimum quantity thresholds for such transactions. Section 11(F) requires Futures Participants to ensure that block trades are reported to the Exchange within the number of minutes of the time of execution (the "Reporting Window") specified in the rules for the particular contract.[[2]](#footnote-2) The Freight Contracts are eligible for block trades. The block trade minimum quantity threshold is set at 5 contracts and the Reporting Window is set at 15 minutes. The NFX BLPG1 VLGC Middle East Gulf-Japan Tanker Freight Financial Futures (LPGQ) contract will have a block size minimum of 2 contracts.[[3]](#footnote-3)

**Screen Fees and Block Trade/EFRP Surcharges**

The Screen Fee is a charge for Exchange execution fees. The Options Clearing Corporation (“OCC”) will separately assess a clearing fee for all transactions submitted for clearing.[[4]](#footnote-4) The Exchange will assess Screen Fees and Block Trade EFRP Fees of $2.95 for each contract. Customers new to the NFX platform will be assessed a New Client Screen Fee of $1.95 and a Block Trade/EFRP Fee of $1.95.

**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-2018-21 in any related correspondence.



Regards,

Daniel R. Carrigan

President

Attachments:

Exhibit A: Amendments to Rulebook Appendix A – Listed Contracts

1. The Exchange is separately filing the Freight Contracts’ terms and conditions in SR-NFX-2018-20 pursuant to Commission Rule 40.2. Certain additional language separately certified in SR-NFX-2018-20 is not duplicated in Exhibit A hereto but is instead, for purposes of brevity, represented by asterisks. [↑](#footnote-ref-1)
2. See Rules Chapter IV, Section 11(F) provides: “Futures Participants must ensure that each Block Trade is reported to the Exchange within the number of minutes of the time of execution (the "Reporting Window") specified in the rules for the particular contract; except that Block Trades executed outside of Trading Hours must be reported within fifteen minutes of the commencement of the next Open Session of a Trading Session for that Contract. If the Block Trade includes certain legs subject to a 5 minute Reporting Window and other legs subject to a 15 minute Reporting Window, the reporting requirement for the transaction will be 15 minutes. The report must include the Contract, contract month, price, quantity of the transaction, the respective Clearing Futures Participants, the time of execution, and, for Options on Futures, strike price, put or call and expiration month. The Exchange shall promptly publish such information separately from the reports of transactions in the regular market. Failure to timely and accurately report Block Trades may subject the Futures Participant to disciplinary action.” [↑](#footnote-ref-2)
3. The block trade threshold limits for each of the Freight Contracts match the minimum thresholds set by NYMEX and ICE. [↑](#footnote-ref-3)
4. OCC options exercise fees and any other OCC fees remain the responsibility of Clearing Futures Participants. [↑](#footnote-ref-4)