**Rule Self-Certification**

June 16, 2017

Christopher J. Kirkpatrick

Office of the Secretariat

Commodity Futures Trading Commission

Three Lafayette Center

1155 21st Street, NW

Washington, DC 20581

Re: **Rule Certification for an**

**Asia-Pacific Incentive Program**

**Reference File: SR-NFX-2017-26**

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 recertify the Exchange’s Asia-Pacific incentive program (the “Energy AP Program”)[[1]](#footnote-1) for certain energy contracts that the Exchange has listed pursuant to Appendix A of the Exchange Rulebook (the “Energy Contracts”), as may be amended from time to time.[[2]](#footnote-2) The Program became effective on July 8, 2016 and will now terminate on June 30, 2018. There is no change being made to the Confidential Appendix originally filed.

To be eligible to participate in the Energy AP Program, you must be a Futures Commission Merchant authorized to do business as such who is located in an Asia-Pacific country, and who is not already a NFX Futures Participant or NFX Clearing Futures Participant, but who does have a relationship with a NFX Clearing Futures Participant. To apply, Futures Commission Merchants must complete an application approved by the Exchange and execute all trades (both in the Order Book and Off-Exchange) in their name. There is no set limit to the number of Futures Commission Merchants that can participate in the Energy AP Program.

The basic terms and conditions of the Energy AP Program are attached hereto as Exhibit A. The confidential details of the Energy AP Program were filed in Confidential Appendix 1 to SR-NFX-2016-61.

The Exchange believes that the Energy AP Program complies with Core Principle 4 (Monitoring of Trading), Core Principle 9 (Execution of Transactions) and Core Principle 12 (Protection of Market Participants). The Energy AP Program will not impact order execution priority or otherwise give participants any execution preference or advantage. The Energy AP Program will not impact the Exchange’s ability to perform its trade practice and market surveillance obligations under the Act and Exchange staff will monitor trading in the Energy AP Program’s products to prevent manipulative trading and market abuse. Additionally, the Exchange has systems to track Energy AP Program participants’ volume to ensure proper distribution of earned incentives. Finally, NFX rules include prohibitions against fraudulent, non-competitive, unfair or abusive practices.

The Exchange has reviewed the designated contract market 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/nfx-market).

If you require any additional information regarding this submission, please contact Stephen Matthews at (301) 978-8458 or steve.matthews@nasdaq.com. Please refer to SR-NFX-2017-26 in any related correspondence.



Regards,

Daniel R. Carrigan

President

Exhibit A: NFX Energy AP Program

Exhibit A to SR-NFX-2017-26

(additions are underlined; deletions are [bracketed])

**NFX Energy AP Program**

**Program Purpose**

The purpose of the NFX Energy AP Program (the “Energy AP Program”) is to incentivize Futures Commission Merchants to trade NFX Energy futures and options-on-futures products, and to incentivize NFX Clearing Futures Participants who facilitate this business. The resulting additional liquidity should benefit all participants in the market.

**Product Scope**

All of the energy contracts (collectively, the “Products”) listed below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Contract Name | NFX Symbol | Size | Reference Exchange | Reference Symbol |
| NFX Henry Hub Natural Gas Financial Futures – 10,000 | HHQ | 10,000mmBtu | NYMEX | HH |
| NFX Henry Hub Natural Gas Financial Futures – 2,500 | NNQ | 2,500mmBtu | NYMEX | NN |
| NFX Henry Hub Penultimate Financial Futures – 2,500 | NPQ | 2,500mmBtu | NYMEX | NP |
| NFX Henry Hub Penultimate Financial Futures – 10,000 | HPQ | 10,000mmBtu | NYMEX | HP |
| NFX Options on NFX Henry Hub Penultimate Financial Futures - 10,000 | LNQ | 10,000mmBtu | NYMEX | LN |
| NFX Brent Crude Financial Futures | BFQ | 1,000bbl | ICE | B |
| NFX Low Sulphur Gasoil Financial Futures | GOQ | 100mT | ICE | G |
| NFX Options on Brent Crude Financial Futures | BCQ | 1,000bbl | ICE | B |
| NFX Options on NFX WTI Crude Penultimate Financial Futures | TOQ | 1,000bbl | NYMEX | LO |
| NFX WTI Crude Penultimate Financial Futures | TQ | 1,000bbl | NYMEX | CL |
| NFX Brent 1st Line Financial Futures | IBQ | 1,000 | ICE | I |
| NFX Brent 1st Line Mini Financial Futures | IMMQ | 100 | ICE | IMM |
| NFX WTI 1st Line Financial Futures | RTIQ | 1,000 | ICE | R |
| NFX WTI 1st Line Mini Financial Futures | RMMQ | 100 | ICE | RMM |
| NFX Low Sulphur Gasoil 1st Line Financial Futures | ULAQ | 100 | ICE | ULA |
| NFX Gasoil Crack Financial Futures (in BBLS) - Low Sulphur Gasoil 1st Line vs Brent 1st Line | GZQ | 1000 | NYMEX | GZ |
| NFX Heating Oil Penultimate Financial Futures | OQ | 42,000gal | NYMEX | HO |
| NFX Heating Oil 1st Line Financial Futures | HOFQ | 42,000gal | NYMEX | HOF |
| NFX RBOB Gasoline Penultimate Financial Futures | RQ | 42,000gal | NYMEX | RB |
| NFX RBOB Gasoline 1st Line Financial Futures | RBSQ | 42,000gal | ICE | RBS |
| NFX Gasoline Crack Financial Futures (in BBLS) - RBOB Gasoline 1st Line vs Brent 1st Line | RBRQ | 42,000gal | ICE | RBR |

**Eligible Participants**

Any Futures Commission Merchant who is authorized to do business as such who is located in an Asia-Pacific country, and who is not already a NFX Futures Participant or NFX Clearing Futures Participant, but who does have a relationship with a NFX Clearing Futures Participant is eligible to apply for the Energy AP Program.

**Program Term**

The Energy AP Program will [commence on July 8, 2016 and ]expire on June 30, 201[7]8.

**Activity Threshold**

**REDACTED**

**Incentives**

**REDACTED**

**Monitoring and Termination of Status**

NFX shall monitor trading activity and shall retain the right to revoke Energy AP Program participant status if it concludes after review that a participant has continually failed to meet the activity thresholds or no longer meets the eligibility requirements of the Energy AP Program.

1. [See](http://nasdaqphlx.cchwallstreet.com/NASDAQPHLX/pdf/nfx-filings/2016/SR-NFX-2016-61.pdf) SR-NFX-2016-61 [↑](#footnote-ref-1)
2. See [NFX Rulebook Appendix A – Listed Contracts](http://nasdaqomxphlx.cchwallstreet.com/NASDAQOMXPHLX/NFX/) [↑](#footnote-ref-2)