**Rule Self-Certification**

July 2, 2018

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 Amendments to the**

**NFX Fee Schedule**

**Reference File: SR-NFX-2018-35**

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”) is amending its fee schedule to (1) include the fees for the new Treasury futures products (“TF Contracts”)[[1]](#footnote-1), and (2) introduce a reduced fee for designated market makers (“DMMs”) in the TF Contracts.

These changes will become effective on July 18, 2018. The corresponding amendment is contained in Exhibit A and Exhibit B below.

The reduced fee for DMMs is included in the fee schedule and will be offered to any market participant who is willing to make markets by providing continuous quotes during the hours of 8AM – 4PM EPT, Monday through Friday. Participation as a DMM will be by simple application to the Exchange, and completion of a participation agreement. There will be no competitive tender process, and no limit to the number of firms able to participate. If a participant fails to provide continuous quoting in the TF Contracts it will no longer be eligible for the reduced fee.

**DCM Core Principles**

The Exchange believes the fee schedule amendments are consistent with Designated Contract Market (“DCM”) Core Principles. The Exchange will publish the amended fee schedule on its website to ensure that market participants have been advised of the changes. The Exchange believes the reduction of fees for DMMs is reasonable and continues the Exchange’s goal of offering liquidity to the marketplace.

The Exchange believes that the reduced DMM fee complies with Core Principle 4 (Monitoring of Trading), Core Principle 9 (Execution of Transactions) and Core Principle 12 (Protection of Market Participants). The reduced DMM fee will not impact order execution priority or otherwise give participants any execution preference or advantage. The reduced DMM fee 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 by DMMs to prevent manipulative trading and market abuse. Additionally, the Exchange has systems to track 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 amendments to the fee schedule 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 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-2018-35 in any related correspondence.

Regards,



Rick Beaman

Chief Executive Officer

Attachments:

Exhibit A: NASDAQ Futures, Inc. Fee Schedule Amendments

Exhibit B: Amended Fee Schedule effective July 18, 2018

1. See SR-NFX-2018-18 and SR-NFX-2018-19. [↑](#footnote-ref-1)