

Rule Self-Certification



NASDAQ Futures, Inc.
2929 Walnut Street
Philadelphia, PA 19104 / USA
business.nasdaq.com/futures

July 10, 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
Energy Broker Incentive Program**
Reference File: SR-NFX-2017-28

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Sections 40.2 and 40.6 of the Commission’s regulations thereunder, NASDAQ Futures, Inc. (“NFX” or “Exchange”) submits this self-certification to recertify the Exchange’s broker incentive program (the “Energy Broker Incentive Program” or “Program”) for certain energy contracts (the “Energy Contracts”).¹ This self-certification does not propose any changes or amendments to the current Program other than to extend the Program Term. The Exchange agrees to recertify this Program within one year of this certification.

The Program is designed to incentivize Off-Exchange Reporting Brokers (“ORBs”) to increase their volume in certain Energy Contracts they submit to NFX as Block Trades, thereby enhancing market liquidity for these products.² The Exchange believes that the resulting increase in liquidity generated by the Program benefits all participants in the market. The Exchange believes that the Energy Broker Incentive 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 Broker Incentive Program will not impact order execution priority or otherwise give participants any execution preference or advantage. The Energy Broker Incentive Program will not impact the Exchange’s ability to perform its trade

¹ The Exchange initially filed the Program as SR-NFX-2015-45 on June 19, 2015 and the Program launched on July 24, 2015. The Program has since been amended a number of times, and was last recertified as SR-NFX-2016-71 on July 8, 2016.


² “Off-Exchange Reporting Broker” is defined in Chapter I, Section 1 of the NFX Rulebook as an Authorized Customer who has received authorization from the Exchange as provided in Chapter V, Section 4(m) which in turn provides that an Off-Exchange Reporting Broker may access the Trading System directly for the purpose of submitting transactions for reporting and clearing if the Off-Exchange Reporting Broker has received authorization from the Exchange and from a Clearing Futures Participant in a form prescribed by the Exchange.

practice and market surveillance obligations under the Act and Exchange staff will monitor trading in the Energy Broker Incentive Program's products to prevent manipulative trading and market abuse. Additionally, the Exchange has systems to track Energy Broker Incentive Program participants' volume to ensure proper distribution of earned incentives. Finally, NFX rules include prohibitions against fraudulent, non-competitive, unfair or abusive practices.

The terms and conditions of the Energy Broker Incentive Program are attached hereto as Exhibit 1. The amendment in Exhibit 1 will be implemented on July 25, 2017.

There were no opposing views among the NFX's Board of Directors, members or market participants. The Exchange hereby certifies that the amendment to include the New Contracts to the Energy Broker Incentive Program complies with the Commodity Exchange Act and 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.

If you require any additional information regarding the submission, please contact Stephen Matthews at +1 301 978 8458 or via e-mail at steve.matthews@nasdaq.com. Please reference SR-NFX-2017-28 in any related correspondence.

Regards,

Daniel R. Carrigan
President

Attachment:

Exhibit 1: Energy Broker Incentive Program

Exhibit 1 to SR-NFX-2017-28

Energy Broker Incentive Program

Program Purpose

The purpose of the Energy Broker Incentive Program (the “Program”) is to incentivize Off-Exchange Reporting Brokers (“ORBs”) to increase their volume they submit to NFX as Block Trades via Nasdaq-Port in the energy products listed below. The resulting additional liquidity should benefit all participants in the market.

Product Scope

The following energy products (“Products”) that are submitted for clearing by ORBs via Nasdaq-Port and then cleared by The Options Clearing Corporation:

Products	Trading Symbol	Payment (per cleared contract side except Power)
NFX Options on NFX Henry Hub Penultimate Financial Futures - 10,000	LNQ	\$0.20
NFX Options on NFX Henry Hub Penultimate Financial Futures - 10,000	LNQ	\$0.25 (over 200,000 sides in a month)
NFX Options on NFX Henry Hub Penultimate Financial Futures - 10,000	LNQ	\$0.40 (over 300,000 sides in a month)
NFX Henry Hub Natural Gas Financial Futures - 2,500	NNQ	\$0.025
NFX Henry Hub Natural Gas Penultimate Financial Futures - 2,500	NPQ	\$0.025
NFX Henry Hub Natural Gas Financial Futures - 10,000	HHQ	\$0.10
NFX Henry Hub Natural Gas Penultimate Financial Futures - 10,000	HUQ	\$0.10
NFX Options on NFX Brent Crude Financial Futures	BCQ	\$0.40
NFX Brent Crude Financial Futures	BFQ	\$0.20
NFX WTI Crude Oil Financial Futures	CLQ	\$0.20

NFX Low Sulphur Gasoil Financial Futures	GOQ	\$0.20
NFX Heating Oil Financial Futures	HOQ	\$0.20
NFX RBOB Gasoline Financial Futures	RBQ	\$0.20
NFX WTI Crude Oil Penultimate Financial Futures	TQ	\$0.20
NFX Options on NFX WTI Crude Oil Penultimate Financial Futures	TOQ	\$0.40
NFX Heating Oil Penultimate Financial Futures	OQ	\$0.20
NFX Options on NFX Heating Oil Penultimate Financial Futures	OOQ	\$0.40
NFX RBOB Gasoline Financial Futures	RQ	\$0.20
NFX Options on NFX RBOB Gasoline Penultimate Financial Futures	ROQ	\$0.40
All NFX Power Futures and Options on Power Futures*		\$0.0083 per MWh

* For those ORBs that voluntarily submit daily settlement price data to NFX, this payment is increased to \$.001 per MWh. For more details, please contact NFX Market Operations at nfxops@nasdaq.com.

Eligible Participants

Any ORB registered with the Exchange is an eligible participant. There is no limit to the number of ORBs that may register with the Exchange and participate in the program by submitting Block Trades. ORBs must have login credentials in order to submit Block Trades in the Products.

Program Term

The Program Term will expire on July 31, 2018.

Hours

N/A.

Program Obligations

All ORBs must be registered with the Exchange and may only submit Block Trades eligible for incentive payments after they have obtained login credentials. Participants must disclose the accounts in which they plan to submit matched trades.

Program Incentives

Upon meeting all Program obligations, as determined by NFX, ORBs who submit Block Trades in the Products which are cleared will be eligible for the incentives set forth in the table above under Product Scope.

Monitoring and Termination of Status

NFX shall monitor trading activity and participants' performance and shall retain the right to revoke Program participant status if it concludes from review that a Program participant no longer meets eligibility requirements.