September 27, 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

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1155 21st Street, NW

Washington, DC 20581

**Rule Self-Certification: Rule Certification for Reporting of Block Trade Errors**

**Reference File: SR-NFX-2018-39**

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 proposed amendments relating to correction of errors in the terms of Block Trades reported in accordance with the Rules of the Exchange. The amendments proposed in this submission shall be effective on October 11, 2018, for trade date October 12, 2018.

**Extending Time for Correction of Errors in Block Trade Submissions**

NFX is amending its Rules and Off-Exchange Transactions Reference Guide (the “Reference Guide”) to provide a process and timeframe for Futures Participants to correct Block Trade reporting errors.

Pursuant to Chapter IV, Section 11(F) (the “Rule”), a Futures Participant must report the terms of a Block Trade (i.e. 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) to the Exchange, generally within the number of minutes of the time of execution specified in the rules for the particular contract. The Exchange then publishes that information for the marketplace. Failure to timely and accurately report the Block Trade may subject the Futures Participant to disciplinary action. Currently, neither the Rule nor the Reference Guide provide guidance to Futures Participants on how to correct errors in the terms of the Block Trade as reported. NFX is therefore amending the Reference Guide to outline the process and timeframe for correcting Block Trade reporting errors. Futures Participants must correct errors in the terms of a Block Trade within one business day (T+1) of initially reporting the Block Trade to the Exchange. The Exchange notes that this timeframe is shorter than allowed on other Designated Contract Markets registered with the Commission. The Exchange believes that outlining the process and timeframe for Block Trade reporting errors is reasonable because it provides greater clarity to Futures Participants, as well as balances the burden placed on Futures Participants with the need for the marketplace to have accurate information related to transaction history.

Pursuant to current Rule Chapter V, Section 5(c), a Futures Participant or Authorized Customer, which includes an Off-Exchange Reporting Broker (“ORB”), that executes a transaction in a Contract in error, at an unrepresentative price which is outside the non-reviewable range designated by a Contract, may, within 10 minutes of the Order execution, contact the Exchange to seek to cancellation or an adjustment pursuant to section (a). The Exchange is amending Chapter V, Section 5(c) to remove ORBs from the category of Futures Participants or Authorized Customers that may contact the Exchange within ten minutes of a transaction’s execution to seek to cancellation or an adjustment pursuant to section 5(a) of that rule. ORBs have contracted with the Exchange to submit orders as Block Trades. ORBs should therefore adhere to the requirements of Chapter IV, Section 11, and follow the process for correcting Block Trade reporting errors in the amended Reference Guide, including any errors in the price of the transaction.

**DCM Core Principles**

The Exchange has reviewed the Designated Contract Markets 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 and the Off-Exchange Transactions Reference Guide as amended herein, on its website: [business.nasdaq.com/futures](http://business.nasdaq.com/nasdaq-futures/nfx-market).

With respect to the amendment to Chapter V, Section 5(c) set forth in Exhibit A and Core Principle 10 – Trade Information – the amended rule will not interfere with NFX’s ability to collect and retain all audit trail data necessary to detect, investigate, and prevent customer and market abuses. NFX will also maintain compliance with Core Principle 13 – Disciplinary Procedures. While this submission modifies the Reference Guide with respect to correcting Block Trade reporting errors, the change nonetheless complies with the Exchange’s requirement to establish and enforce disciplinary procedures authorizing the Exchange to discipline, suspend, or expel members or Futures Participants that violate the rules of the board of trade. This rule simply provides greater clarity to Futures Participants on how to correct errors; it does not inhibit the Exchange’s ability to discipline a Futures Participant if the Exchange determines a rule violation has occurred.

**Certifications**

There were no opposing views among NFX’s Board of Directors, members or Futures Participants. The Exchange hereby certifies that the Rule and Reference Guide 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-2018-39 in any related correspondence.

Regards,



Rick Beaman

Chief Executive Officer

Attachments:

Exhibit A: NASDAQ Futures—Rules

Exhibit B: NFX Off-Exchange Transactions Reference Guide