**Rule Self-Certification**

October 17, 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 Regarding**

**NFX Incentive Programs**

**Reference File: SR-NFX-2017-44**

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 renewing the Designated Market Maker Program (the “DMM Program”) and initiating the Market Quality Program (MQ Program) for energy contracts that the Exchange has listed pursuant to Appendix A of the Exchange Rulebook (the “Energy Contracts”).[[1]](#footnote-1) Effective for trade date November 1, 2017, the programs will operate for a period of one year. A description of the two programs is attached as Exhibit A. A description of the cost of the programs is attached as confidential Exhibit B. A detailed description of the calculation used to rank each participant’s score in the MQ Program is attached as confidential Exhibit C.

The DMM Program is being amended to allow for the addition of the MQ Program which will reward program participants that exhibit the highest degrees of participation and provide for the most competitive markets on NFX. The Exchange believes both the DMM and MQ Programs comply with Core Principle 4 (Monitoring of Trading), Core Principle 9 (Execution of Transactions) and Core Principle 12 (Protection of Market Participants). The DMM and MQ Programs will not impact order execution priority or otherwise give participants any execution preference or advantage. The DMM and MQ Programs 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 Program’s products 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 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: [business.nasdaq.com/futures](http://business.nasdaq.com/nasdaq-futures/nfx-market).

If you require any additional information regarding this submission, please contact Aravind (Andy) Menon at (301) 978-8416 or aravind.menon@nasdaq.com. Please refer to SR-NFX-2017-44 in any related correspondence.



Regards,

Daniel R. Carrigan

President

Exhibit A

Marketing Material on the DMM and MQ Programs

Exhibit B

Description and cost estimate for DMM and MQ Programs through October 31, 2018 (under separate cover)

Exhibit C

Terms and conditions of the MQ Program (under separate cover)

1. See [NFX Rulebook Appendix A – Listed Contracts](http://nasdaqphlx.cchwallstreet.com/NASDAQPHLXTools/PlatformViewer.asp?selectednode=chp_1_1_1_9&manual=%2Fnasdaqomxphlx%2Fnfx%2Fphlx-brdtrade-rules%2F) [↑](#footnote-ref-1)