November 1, 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: Product and Rule Certification for New NFX**

**Gulf Coast Crude Oil Financial Futures**

**Reference File: SR-NFX-2018-50**

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 rules relating to block trade minimum quantity thresholds and transaction fees for Gulf Coast Crude Oil Futures Contracts (“Gulf Coast contracts”). The Exchange anticipates listing the Gulf Coast contracts beginning November 15, 2018 for trade date November 16, 2018. The amendments proposed in this submission shall be effective on the listing date.

The name of each Gulf Coast contract is listed below, followed by its symbol in parentheses:

* NFX Argus WTI Trade Month Futures (VSAQ)
* NFX WTI Midland (Argus) Trade Month Basis Futures (MIDQ)
* NFX WTI Midland (Argus) Trade Month Futures (WTIQ)
* NFX WTI Midland (Argus) Basis Futures (MIDC)
* NFX WTI Midland (Argus) Financial Futures (XBAQ)
* NFX LLS (Argus) Trade Month Basis Futures (LLTQ)
* NFX LLS (Argus) Trade Month Futures (AFOQ)
* NFX LLS (Argus) Basis Futures (LLCQ)
* NFX LLS (Argus) Financial Futures (LLFQ)
* NFX Mars (Argus) Trade Month Basis Futures (MARQ)
* NFX Mars (Argus) Trade Month Futures (MOAQ)
* NFX Mars (Argus) Basis Futures (MARC)
* NFX Mars (Argus) Financial Futures (MXAQ)
* NFX WTI Houston (Argus) Trade Month Basis Futures (MEHQ)
* NFX WTI Houston (Argus) Trade Month Futures (HTAQ)
* NFX WTI Houston (Argus) Basis Futures (MEHC)
* NFX WTI Houston (Argus) Financial Futures (HIAQ)
* NFX WTS (Argus) Trade Month Basis Futures (FHAQ)
* NFX WTS (Argus) Trade Month Futures (AYAQ)
* NFX WTS (Argus) Basis Futures (WTAQ)
* NFX WTS (Argus) Financial Futures (WTSQ)

The rule amendments proposed herein are attached to this letter in Exhibit A which amends Rulebook Appendix A, Listed Contracts.[[1]](#footnote-1)

**Exhibit A - Amendments to Rulebook Appendix A, Listed Contracts**

Block Trade Minimum Quantity Threshold and Reporting Times. Chapter IV, Section 11 of the Exchange’s rulebook provides for execution of block trades and requires the Exchange to designate the contracts in which block trades shall be permitted and to determine the minimum quantity thresholds for such transactions. Section 11(F) requires Futures Participants to ensure that block trades are reported to the Exchange within the number of minutes of the time of execution (the "Reporting Window") specified in the rules for the particular contract.[[2]](#footnote-2) The Gulf Coast contracts are eligible for block trades. The block trade minimum quantity threshold is set at 5 or 10 contracts and the Reporting Window is set at 15 minutes.[[3]](#footnote-3)

**Screen Fees and Block Trade/EFRP Surcharges**

The Screen Fee is a charge for Exchange execution fees. The Options Clearing Corporation (“OCC”) will separately assess a clearing fee for all transactions submitted for clearing.[[4]](#footnote-4) The Exchange will assess Screen Fees and Block Trade EFRP Fees for each contract as set forth in Exhibit A.

**DCM Core Principles**

The Exchange has reviewed the designated contract market 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 as amended herein, on its website: [business.nasdaq.com/futures](http://business.nasdaq.com/nasdaq-futures/nfx-market).

With respect to the block trade amendments set forth in Exhibit A and Core Principle 9 - Execution of Transactions, the Gulf Coast contracts will be listed for trading on the Exchange’s electronic trading system as well as by submission as block trades and Exchange for Related Position transactions pursuant to Exchange rules. The Exchange’s trading system provides a transparent, open and efficient mechanism to electronically execute trades in the Gulf Coast contracts.

**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).

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-2018-50 in any related correspondence.

Regards,



Rick Beaman

Chief Executive Officer

Attachments:

Exhibit A: Amendments to Rulebook Appendix A – Listed Contracts

1. The Exchange will separately file the Gulf Coast contract terms and conditions in SR-NFX-2018-49 pursuant to Commission Rule 40.2. Certain additional language separately certified in SR-NFX-2018-49 will not be duplicated in Exhibit A hereto but is instead, for purposes of brevity, represented by asterisks. [↑](#footnote-ref-1)
2. See Rules Chapter IV, Section 11(F) provides: “Futures Participants must ensure that each Block Trade is reported to the Exchange within the number of minutes of the time of execution (the "Reporting Window") specified in the rules for the particular contract; except that Block Trades executed outside of Trading Hours must be reported within fifteen minutes of the commencement of the next Open Session of a Trading Session for that Contract. If the Block Trade includes certain legs subject to a 5 minute Reporting Window and other legs subject to a 15 minute Reporting Window, the reporting requirement for the transaction will be 15 minutes. The report must include 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. The Exchange shall promptly publish such information separately from the reports of transactions in the regular market. Failure to timely and accurately report Block Trades may subject the Futures Participant to disciplinary action.” [↑](#footnote-ref-2)
3. See Rule X.08, Block Trade Minimum Quantity Threshold and Reporting Window for each of the new NYISO Futures attached as Exhibit A. [↑](#footnote-ref-3)
4. OCC options exercise fees and any other OCC fees remain the responsibility of Clearing Futures Participants. [↑](#footnote-ref-4)