November 28, 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

Three Lafayette Center business.nasdaq.com/futures

1155 21st Street, NW

Washington, DC 20581

**Rule Self-Certification: Rule Certification for Addition of Pre-Trade Limits Groups**

**Reference File: SR-NFX-2018-60**

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 amendments to the Exchange’s Reference Guides governing Pre-Trade Limits Group functionality on the NFX TradeGuard system. The Exchange anticipates implementing the new functionality on December 12, 2018 for trade date December 13, 2018.

NFX is adding new functionality to TradeGuard, the Exchange’s proprietary system for implementing pre-trade risk limits, to allow for the use of Pre-Trade Limit Groups (“PTLGs”). When enabled, PTLGs will allow Futures Commission Merchants (“FCMs”) that are members of NFX to create risk limits that govern the entire risk exposure of not only the FCM, but any trading account or customer associated with that FCM. For example, an FMC may establish a Master PTLG that governs not only that FCM’s maximum risk exposure, but the maximum risk exposure allowed for all customers or authorized traders of the FCM. Likewise, an authorized customer of an FCM may establish a Master PTLG that governs the maximum risk exposure of any authorized trader under that authorized customer. The end result is that risk limits for an entity authorized to trade on the NFX platform will be governed by the Master PTLG established by the FCM clearing through the Options Clearing Corporation.

Under this process, if an FCM establishes a Master PTLG that covers both proprietary trading and trading by authorized customers, any trade by an authorized customer will count against the Master PTLG for that FCM. Likewise, transactions by authorized traders of the FCM will also count against the Master PTLG. At no point may an authorized trader or customer of an FCM utilizing PTLGs exceed the risk exposure established by the FCM.

This new functionality is being offered as an optional feature to allow NFX member FCMs the ability to better manage the risk exposure of their operations as well as those of their customers. The feature will provide members with greater assurance that neither their authorized traders nor their customers will establish positions that create undue risk prior to the instruments being submitted to clearing through OCC.

**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).

**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-2018-60 in any related correspondence.

Regards,



Kevin Kennedy

Chief Executive Officer

Attachments:

Exhibit A: Amendments to NFX’s General Reference Guide

Exhibit B: Amendments to NFX’s TradeGuard PTRM Reference Guide