**Rule Self-Certification**

December 7, 2016

Christopher J. Kirkpatrick

Office of the Secretariat

Commodity Futures Trading Commission

Three Lafayette Center

1155 21st Street, NW

Washington, DC 20581

Re: **Amendment to Off-Exchange Transactions Reference Guide**

**Reference File: SR-NFX-2016-108**

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Section 40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission (“CFTC” or the “Commission”) under the Act, NASDAQ Futures, Inc. (“NFX” or “Exchange”) amends its Off-Exchange Transactions Reference Guide (“Reference Guide”) to amend language regarding pre-hedging activity by NFX members as requested by CFTC staff. The effective trade date of the amended Reference Guide will be December 21, 2016, for the trade date starting December 22, 2016.

The Exchange certifies that the amendments comply with the Act and CFTC regulations promulgated thereunder. There were no opposing views among the Exchange’s Board of Directors, members or market participants. The Exchange hereby certifies that the amendments to the Off-Exchange Transactions Reference Guide comply with the Commodity Exchange Act and regulations thereunder. The Exchange also certifies that a notice of pending certification with the Commission and a copy of this submission have been concurrently posted on the Exchange’s website at [business.nasdaq.com/futures](http://business.nasdaq.com/futures).

If you require any additional information regarding the submission, please contact Aravind Menon at +1-301-978-8416 or via e-mail at [aravind.menon@nasdaq.com](mailto:aravind.menon@nasdaq.com). Please reference SR-NFX-2016-108 in any related correspondence.

 Regards,

Daniel R. Carrigan

President

**Exhibit A to SR-NFX-2016-108**

*New text is underlined; deleted text is stricken*

**NASDAQ Futures, Inc. (NFX)   
Off-Exchange Transactions**

**Reference Guide**

Version1.0~~5~~6 **|** 201612~~11~~21~~10~~

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**23 WHAT RESTRICTIONS ARE IN PLACE REGARDING THE DISCLOSURE OF BLOCK TRADE DETAILS?**

Parties involved in the solicitation or negotiation of a Block Trade may not disclose the details of those communications to any other party for any purpose other than to facilitate the execution of the Block Trade. Parties privy to nonpublic information regarding a consummated Block Trade may not disclose such information to any other party prior to the public report of the Block Trade by the Exchange. A broker negotiating a Block Trade on behalf of a Customer may disclose the identity of the Customer to potential counterparties, including the counterparty with which the Block trade is consummated, only with the permission of the Customer.

Pre-hedging or anticipatory hedging of any part of the Block Trade in the same Contract or a closely related contract is allowed where the parties to the block trade have a good faith belief that the block trade will be consummated. Pre-hedging or anticipatory hedging is prohibited where an intermediary takes the opposite side of a block trade with a customer. In cases where an intermediary is counter-party to a block trade with a customer, the intermediary may not establish an offsetting position prior to the consummation of the block trade in any account which is owned or controlled by, or in which an ownership interest is held, or for the proprietary account of the employer of the intermediary. The intermediary may enter into transactions to offset the position only after the block has been consummated. It shall be a violation of Chapter 3, Section 24(g)(v) of the NFX Rulebook for a person to engage in the front running of a block trade when acting on material non-public information regarding an impending transaction by another person, acting on non-public information obtained through a confidential employee/employer relationship, broker/customer relationship, or in breach of a ~~fiduciary responsibility~~ pre-existing duty. A closely-related product is one that is highly correlated to, or serves as a substitute for, or is the functional equivalent of the product being traded as part of a Block Trade.

The Exchange may proceed with enforcement action when the facts and circumstances of pre-hedging suggest deceptive or manipulative conduct by any of the involved parties, including when an intermediary handling a Customer order acts against its Customer’s best interests. This guidance only applies in the context of pre-hedging of block trades. This guidance does not affect any requirement under the CEA or Commission Regulations.

Parties solicited to provide a two-sided block market are not deemed to be in possession of nonpublic information provided that side of market interest is not disclosed in the context of the solicitation.

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