December 4, 2019 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 Amending Minimum Block Trade Thresholds for Dry Freight Futures and Options Contracts**

**Reference File: SR-NFX-2019-33**

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 for NFX Dry Freight Futures and Options contracts (“Dry Freight contracts”). The Exchange is migrating open interest in the Dry Freight contracts and will implement a lowered minimum block threshold to facilitate the transfer of open interest. Any transaction that is not part of the open interest migration must meet the standard block trade minimum threshold, which remains unchanged. The rule amendments proposed herein are attached to this letter in Exhibit A, which amends Rulebook Appendix A, Listed Contracts.

On November 12, 2019 NFX announced the sale of its U.S. futures and options business to EEX Group. Under the terms of the agreement, NFX will migrate existing open interest in U.S. Power, U.S. Natural Gas, Crude Oil, Ferrous Metals and Dry Bulk Freight futures and options contracts to EEX Group’s clearing houses, Nodal Clear and European Commodity Clearing (the “Open Interest Migration Plan” or the “Plan”). The Exchange is now lowering the minimum block trade thresholds for Dry Freight contracts in order to facilitate this migration process.

**Exhibit 1 - Amendments to Rulebook Appendix A, Listed Contracts**

Block Trade Minimum Quantity Threshold. 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 a specified period of time after execution (the "Reporting Window") of the transaction.

In order to facilitate the Open Interest Migration Process referenced above, the Exchange is lowering the minimum block threshold for Dry Freight contracts that will be migrated pursuant to the Plan. Block transactions in the Dry Freight contracts that are not part of the Open Interest Migration Plan must still meet the standard minimum block threshold, which remains unchanged.

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

The Screen Fee is a charge for Exchange execution fees. The Exchange will assess Screen Fees and Block Trade EFRP Fees of $2.95 for each contract. The Options Clearing Corporation (“OCC”) will separately assess a clearing fee for all transactions submitted for clearing.[[1]](#footnote-1) Block trades executed pursuant to the Open Interest Migration Plan will incur no execution fee, but will be assessed a clearing fee.

**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-2019-33 in any related correspondence.

Regards,



Kevin Kennedy

Chief Executive Officer

Attachments:

Exhibit A: Amendments to Rulebook Appendix A – Listed Contracts

1. OCC options exercise fees and any other OCC fees remain the responsibility of Clearing Futures Participants. [↑](#footnote-ref-1)