

Rule Self-Certification



NASDAQ Futures, Inc.
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January 18, 2018

Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, NW
Washington, DC 20581

Re: **Rule Certification for an
Amendments to the Energy
Broker Incentive Program
Reference File: SR-NFX-2018-04**

Dear Mr. Kirkpatrick:


Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Sections 40.2 and 40.6 of the Commission’s regulations thereunder, NASDAQ Futures, Inc. (“NFX” or “Exchange”) submits this self-certification to amend the Exchange’s broker incentive program (the “Energy Broker Incentive Program” or “Program”) for certain energy contracts (the “Energy Contracts”).¹ This self-certification makes amendments to the amount of the incentive offered for certain Energy Contracts. The terms and conditions of the Energy Broker Incentive Program are attached hereto as Exhibit 1. The amendments in Exhibit 1 will be implemented on February 1, 2018.

There were no opposing views among the NFX’s Board of Directors, members or market participants. The Exchange hereby certifies that the amendment to change the incentive to include the New Contracts to the Energy Broker Incentive Program complies with the Commodity Exchange Act and 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.

If you require any additional information regarding the submission, please contact Stephen Matthews at +1 301 978 8456 or via e-mail at steve.matthews@nasdaq.com. Please reference SR-NFX-2018-04 in any related correspondence.

¹ The Exchange initially filed the Program as SR-NFX-2015-45 on June 19, 2015 and the Program launched on July 24, 2015. The Program has since been amended a number of times, and was last recertified as SR-NFX-2017-28 on July 10, 2017.

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Regards,

Daniel R. Carrigan
President

Attachment:

Exhibit 1: Energy Broker Incentive Program

Exhibit 1 to SR-NFX-2018-04

Energy Broker Incentive Program

New language is underlined; deleted language is ~~stricken~~.

Program Purpose

The purpose of the Energy Broker Incentive Program (the “Program”) is to incentivize Off-Exchange Reporting Brokers (“ORBs”) to increase their volume they submit to NFX as Block Trades via Nasdaq-Port in the energy products listed below. The resulting additional liquidity should benefit all participants in the market.

Product Scope

The following energy products (“Products”) that are submitted for clearing by ORBs via Nasdaq-Port and then cleared by The Options Clearing Corporation:

Products	Trading Symbol	Payment (per cleared contract side except Power)
NFX Options on NFX Henry Hub Penultimate Financial Futures - 10,000	LNQ	\$0.20
<u>NFX Options on NFX Henry Hub Futures - 10,000</u>	<u>LNQ</u>	<u>\$0.15 (over 50,000 sides in a month but less than 200,000)</u>
NFX Options on NFX Henry Hub Penultimate Financial Futures - 10,000	LNQ	\$0.250 (over 200,000 sides in a month but less than 300,000)
NFX Options on NFX Henry Hub Penultimate Financial Futures - 10,000	LNQ	\$0.40 (over 300,000 sides in a month)
NFX Henry Hub Natural Gas Financial Futures - 2,500	NNQ	\$0.025
NFX Henry Hub Natural Gas Penultimate Financial Futures - 2,500	NPQ	\$0.025 (if over 50,000 sides in a month on LNQ)
NFX Henry Hub Natural Gas Financial Futures - 10,000	HHQ	\$0.10
NFX Henry Hub Natural Gas Penultimate Financial Futures - 10,000	HUQ	\$0.10 (if over 50,000 sides in a month on LNQ)
NFX Options on NFX Brent Crude Financial Futures	BCQ	\$0.420

NFX Brent Crude Financial Futures	BFQ	\$0.20
NFX WTI Crude Oil Financial Futures	CLQ	\$0.20
NFX Low Sulphur Gasoil Financial Futures	GOQ	\$0.20
NFX Heating Oil Financial Futures	HOQ	\$0.20
NFX RBOB Gasoline Financial Futures	RBQ	\$0.20
NFX WTI Crude Oil Penultimate Financial Futures	TQ	\$0.20
NFX Options on NFX WTI Crude Oil Penultimate Financial Futures	TOQ	\$0.420
NFX Heating Oil Penultimate Financial Futures	OQ	\$0.20
NFX Options on NFX Heating Oil Penultimate Financial Futures	OOQ	\$0.420
NFX RBOB Gasoline Financial Futures	RQ	\$0.20
NFX Options on NFX RBOB Gasoline Penultimate Financial Futures	ROQ	\$0.420
All NFX Power Futures and Options on Power Futures		\$.00083 per MWh
<u>NFX Power Futures and Options on Power Futures per MWh (over 4.0TWh but less than 10.0TWh per month combined)</u>		<u>Futures \$.00050</u> <u>Options \$.00100</u>
<u>NFX Power Futures and Options on Power Futures (over 10.0TWh but less than 15.0TWh per month combined)</u>		<u>Futures \$.00075</u> <u>Options \$.00100</u>
<u>NFX Power Futures and Options on Power Futures per MWh (more than 15.0TWh per month combined)</u>		<u>Futures \$.00100</u> <u>Options \$.00100</u>
NFX (OPIS) Conway Normal Butane Futures	EIMQ	\$0.25
NFX (OPIS) Conway Propane Futures	EIKQ	\$0.25
NFX (OPIS) Mont Belvieu Non-LST Normal Butane Futures	DROQ	\$0.25

NFX (OPIS) Mont Belvieu Non-LST Propane Futures	PROQ	\$0.25
NFX (OPIS) Mont Belvieu Non-LST Natural Gasoline Futures	QROQ	\$0.25
NFX (OPIS) Mont Belvieu Non-LST Ethane Futures	CROQ	\$0.25
NFX (OPIS) Mont Belvieu LST Propane Futures	BROQ	\$0.25
NFX (OPIS) Mont Belvieu LST Normal Butane Futures	MNBQ	\$0.25

* ~~For those ORBs that voluntarily submit daily settlement price data to NFX, this payment is increased to \$.001 per MWh. For more details, please contact NFX Market Operations at nfxops@nasdaq.com.~~

Eligible Participants

Any ORB registered with the Exchange is an eligible participant. There is no limit to the number of ORBs that may register with the Exchange and participate in the program by submitting Block Trades. ORBs must have login credentials in order to submit Block Trades in the Products.

Program Term

The Program Term will expire on July 31, 2018.

Hours

N/A.

Program Obligations

All ORBs must be registered with the Exchange and may only submit Block Trades eligible for incentive payments after they have obtained login credentials. Participants must disclose the accounts in which they plan to submit matched trades.

Program Incentives

Upon meeting all Program obligations, as determined by NFX, ORBs who submit Block Trades in the Products which are cleared will be eligible for the incentives set forth in the table above under Product Scope.

Monitoring and Termination of Status

NFX shall monitor trading activity and participants' performance and shall retain the right to revoke Program participant status if it concludes from review that a Program participant no longer meets eligibility requirements.