



Nasdaq Futures, Inc.  
1900 Market Street  
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[business.nasdaq.com/futures](http://business.nasdaq.com/futures)

## Rule Self-Certification

February 10, 2017

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

**Re: Clarification of Functionality of NFX Trading System**  
**Reference File: SR-NFX-2017-02**

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 Rules at Chapter IV, Section 4, Acceptable Orders. The amendments provide clarification of functionality in the NFX Trading System (“Trading System”). This rule change will be implemented on February 27, 2017 for trade date February 28, 2017. The text of the amended rulebook is set forth in the attached Exhibit A.

### **Chapter IV, Trading System**

#### Combination Orders

Section 4 of Chapter IV has been amended to clarify that Combination Orders will first match against respective legs of Orders if possible. If there are no resting Orders to match against the legs of the Combination Order, the Combination Order will match against other Combination Orders in the order book. The legs of a Combination Order will match inside, at, or outside the best bid or offer for the instruments in question.

Section 4 of Chapter IV is also being amended to correct an erroneous rule change made in SR-NFX-2016-106A which amended the number of possible legs in a combination order to two. The correct number of maximum legs in a combination order is four.

There were no opposing views among the Exchange’s Board of Directors, members or market participants. The Exchange hereby certifies that the amendments to Chapter IV 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-2017-02 in any related correspondence.

Regards,

A handwritten signature in black ink that reads "Daniel R. Carrigan". The signature is written in a cursive, flowing style.

Daniel R. Carrigan  
President

cc: National Futures Association

**Exhibit A to SR-NFX-2017-02**

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

**NASDAQ Futures Rules**

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**Chapter IV Trading System**

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**Section 4 Acceptable Orders**

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**Combination Orders.** Combination Orders or "Combination Strategies" will be traded in a separate Order Book pursuant to the Rules in Chapter IV, Section 5. The Combination Order Book will accept mass Quotes. Combination Orders may combine Futures Orders or Options Orders, but may not combine Futures and Options into one Combination Order. A Combination Order will be originated by adding Expiries, Contracts and trading symbols, by either: (i) the Exchange; or (ii) a Futures Participant or its Authorized Traders or Authorized Customers. Combination Orders will first execute against respective legs of Orders, if possible, before executing against other Combination Orders within the Combination Order Book. A Combination Order executed in the Combination Order Book will price respective leg fills inside, at, or outside the respective leg's best bid or best offer. Combination Orders accepted by the Trading System may not exceed ~~two~~four (24) legs. Combination Orders consisting solely of Call or Put Options of the same underlying and Expiry but with different strikes must include at least one buy and one sell leg. Combination Orders shall not update the prices of the respective legs of such Combination Orders in their respective Order Book. The Exchange will disseminate Combination Orders through ITCH and FIX protocols. The following order types may be Combination Orders: Market Orders, Limit Orders and Market-to-Limit Orders, Iceberg Orders and TAS Orders.

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