

Required fields are shown with yellow backgrounds and asterisks.

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. * SR 2024 - * 017

Amendment No. (req. for Amendments *)

Filing by The Nasdaq Stock Market LLC

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>
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Rule

<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)
<input checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)
<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010
Section 806(e)(1) *

Section 806(e)(2) *

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 3C(b)(2) *

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

A proposal to amend Equity 7, Section 114(f).

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Katie Last Name * Hopkins

Title * Associate General Counsel

E-mail * Katie.hopkins@nasdaq.com

Telephone * (301) 232-4067 Fax

Signature

Pursuant to the requirements of the Securities Exchange of 1934, The Nasdaq Stock Market LLC has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 04/01/2024


(Title *)

By John Zecca

EVP and Chief Legal Officer

(Name *)

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

 Date: 2024.04.01 11:23:41 -04'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EDFS website.

Form 19b-4 Information *

Add Remove View

SR-NASDAQ-2024-017 19b-4.docx

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

Add Remove View

SR-NASDAQ-2024-017 Exhibit 1.docx

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2- Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

Add Remove View

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

Add Remove View

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

SR-NASDAQ-2024-017 Exhibit 5.docx

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

Partial Amendment

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to amend Equity 7, Section 114(f), as described further below.

A notice of the proposed rule change for publication in the Federal Register is attached as Exhibit 1. The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors (the “Board”). Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

Questions and comments on the proposed rule change may be directed to:

Katie Hopkins
Associate General Counsel
Nasdaq, Inc.
301-232-4067

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

a. Purpose

The purpose of the proposed rule change is to amend the list of exchange-traded products (“ETPs”) that may be designated as a “Qualified Security”³ under the Exchange’s Designated Liquidity Provider (“DLP”)⁴ Program at Equity 7, Section 114(f)(1)(A). Specifically, the Exchange proposes to add securities listed on Nasdaq pursuant to Nasdaq Rules 5711, 5713, and 5715 to the list of securities that may be designated as a Qualified Security, as long as it has at least one DLP.

The Exchange currently offers certain fees and rebates under the DLP Program, which applies to transactions in a Qualified Security by one of its DLPs associated with its DLP Program market participant identifier (“MPID”). The Exchange proposes to amend Equity 7, Section 114(f)(1)(A) to add securities listed on Nasdaq pursuant to Nasdaq Rules 5711,⁵ 5713 (Paired Class Shares), and 5715 (Selected Equity-linked Debt Securities) to the list of securities that may be designated as a Qualified Security, as long as it has at least one DLP. The Exchange proposes to add Nasdaq Rules 5711, 5713, and 5715 to the existing list that already includes: Nasdaq Rule 5704 (Exchange Traded Fund

³ Equity 7, Section 114(f)(1) says a security may be designated as a “Qualified Security” if: (a) it is an exchange-traded product listed on Nasdaq pursuant to Nasdaq Rules 5704, 5705, 5710, 5720, 5735, 5745, 5750 or 5760; and (b) it has at least one DLP.

⁴ Equity 7, Section 114(f)(2) defines a “Designated Liquidity Provider” or “DLP” as a registered Nasdaq market maker for a Qualified Security that has committed to maintain minimum performance standards. A DLP will be selected by Nasdaq based on factors including, but not limited to, experience with making markets in exchange-traded products, adequacy of capital, willingness to promote Nasdaq as a marketplace, issuer preference, operational capacity, support personnel, and history of adherence to Nasdaq rules and securities laws. Nasdaq may limit the number of DLPs in a security, or modify a previously established limit, upon prior written notice to members.

⁵ Securities listed on Nasdaq pursuant to Nasdaq Rule 5711 include Index-Linked Exchangeable Notes, Equity Gold Shares, Trust Certificates, Commodity-Based Trust Shares, Currency Trust Shares, Commodity Index Trust Shares, Commodity Futures Trust Shares, Partnership Units, Trust Units, Managed Trust Securities, and Currency Warrants.

Shares), Nasdaq Rule 5705 (Exchange Traded Funds: Portfolio Depository Receipts and Index Fund Shares), Nasdaq Rule 5710 (Securities Linked to the Performance of Indexes and Commodities (Including Currencies)), Nasdaq Rule 5720 (Trust Issued Receipts), Nasdaq Rule 5735 (Managed Fund Shares), Nasdaq Rule 5745 (Exchange-Traded Managed Fund Shares (“NextShares”)), Nasdaq Rule 5750 (Proxy Portfolio Shares), and Nasdaq Rule 5760 (Managed Portfolio Shares). The Exchange believes that the DLP Program encourages DLPs to maintain better market quality in Nasdaq-listed securities. The Exchange recently listed shares of the iShares Bitcoin Trust and the Valkyrie Bitcoin Fund under Nasdaq Rule 5711(d) (Commodity-Based Trust Shares).⁶ Since these products are new and incubating, the Exchange believes the DLP Program will be beneficial to these ETPs. Currently, other than these two spot bitcoin ETPs, the Exchange does not have any additional products listed under Nasdaq Rule 5711, nor does it have any products currently listed under Rule 5713 or Rule 5715. Nonetheless, similar to the ETPs currently listed in Equity 7, Section 114(f)(1)(A), any future ETPs listed on Nasdaq pursuant to Nasdaq Rules 5711, 5713, and 5715 would benefit from support from a market quality perspective.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁷ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,⁸ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not

⁶ See Securities Exchange Act Release No. 34-99306 (January 10, 2024), 89 FR 3008 (January 17, 2024).

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(4) and (5).

designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also notes that its ETP listing business operates in a highly competitive market in which market participants, which include both DLPs and ETP issuers, can readily transfer their listings or opt not to participate, respectively, if they deem fee levels, liquidity incentive programs, or any other factor at a particular venue to be insufficient or excessive. The DLP Program, including the proposed rule change, reflects a competitive pricing structure designed to incentivize issuers to list new products and transfer existing products to the Exchange and market participants to enroll and participate as DLPs on the Exchange, which the Exchange believes will enhance market quality in qualified ETPs listed on the Exchange.

The Exchange believes it is reasonable, equitable, and not unfairly discriminatory to expand the list of securities that may be designated as a Qualified Security to include securities listed on Nasdaq pursuant to Nasdaq Rules 5711, 5713, and 5715, as long as it has at least one DLP. The Exchange believes that its proposal to expand the list of securities that may be designated as a Qualified Security to include securities listed on Nasdaq pursuant to Nasdaq Rules 5711, 5713, and 5715, as long as it has at least one DLP, is reasonable because the DLP Program encourages better market quality and ETPs currently listed on Nasdaq pursuant to Nasdaq Rule 5711 as well as ETPs that may be listed on Nasdaq pursuant to Nasdaq Rules 5711, 5713, and 5715 in the future would benefit from support from a market quality perspective, like the other ETPs currently included in the list of securities that may be designated as a Qualified Security in Equity 7, Section 114(f)(1)(A). As noted above, the Exchange recently listed shares of the iShares Bitcoin Trust and the Valkyrie Bitcoin Fund under Nasdaq Rule 5711(d)

(Commodity-Based Trust Shares) and the Exchange believes the DLP Program will be beneficial to these new ETPs. The Exchange believes that the proposal is equitable and not unfairly discriminatory because the expanded list of securities that may be designated as a Qualified Security under the DLP Program would allow for more ETPs to be designated as Qualified Securities and thereby allow more DLPs to receive incentives under the DLP Program. In addition, Nasdaq believes that the proposal stands to improve the quality of the Nasdaq market, to the benefit of all market participants.

4. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem rebates or fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its rebates and fees to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own rebates and fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which rebate and fee changes in this market may impose any burden on competition is extremely limited.

The Exchange uses incentives, such as the rebates of the DLP Program, to incentivize market participants to improve the market. In this instance, the Exchange is proposing to expand the list of securities that may be designated as a Qualified Security to include securities listed on Nasdaq pursuant to Nasdaq Rules 5711, 5713, and 5715, as

long as it has at least one DLP, in an effort to support market quality and reward additional DLPs with incentives under the DLP Program.

The Exchange notes that participation in the DLP Program is entirely voluntary and, to the extent that registered market makers determine that the rebates are not in line with the level of market-improving behavior the Exchange requires, a DLP may elect to deregister as such with no penalty. The Exchange does not believe that the proposed change places an unnecessary burden on competition and, in sum, if the changes proposed herein are unattractive to market makers, it is likely that the Exchange will lose participation in the DLP Program as a result. The Exchange does not believe that the proposal represents a burden on competition among Exchange members, or that the proposal will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Pursuant to Section 19(b)(3)(A)(ii) of the Act,⁹ the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

⁹ 15 U.S.C. 78s(b)(3)(A)(ii).

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

1. Notice of Proposed Rule Change for publication in the Federal Register.
5. Text of the proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-NASDAQ-2024-017)

April __, 2024

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Equity 7, Section 114(f)

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹, and Rule 19b-4 thereunder,² notice is hereby given that on April 1, 2024, The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Equity 7, Section 114(f), as described further below.

The text of the proposed rule change is available on the Exchange’s Website at <https://listingcenter.nasdaq.com/rulebook/nasdaq/rules>, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the proposed rule change is to amend the list of exchange-traded products ("ETPs") that may be designated as a "Qualified Security"³ under the Exchange's Designated Liquidity Provider ("DLP")⁴ Program at Equity 7, Section 114(f)(1)(A). Specifically, the Exchange proposes to add securities listed on Nasdaq pursuant to Nasdaq Rules 5711, 5713, and 5715 to the list of securities that may be designated as a Qualified Security, as long as it has at least one DLP.

The Exchange currently offers certain fees and rebates under the DLP Program, which applies to transactions in a Qualified Security by one of its DLPs associated with its DLP Program market participant identifier ("MPID"). The Exchange proposes to amend Equity 7, Section 114(f)(1)(A) to add securities listed on Nasdaq pursuant to Nasdaq Rules 5711,⁵ 5713 (Paired Class Shares), and 5715 (Selected Equity-linked Debt

³ Equity 7, Section 114(f)(1) says a security may be designated as a "Qualified Security" if: (a) it is an exchange-traded product listed on Nasdaq pursuant to Nasdaq Rules 5704, 5705, 5710, 5720, 5735, 5745, 5750 or 5760; and (b) it has at least one DLP.

⁴ Equity 7, Section 114(f)(2) defines a "Designated Liquidity Provider" or "DLP" as a registered Nasdaq market maker for a Qualified Security that has committed to maintain minimum performance standards. A DLP will be selected by Nasdaq based on factors including, but not limited to, experience with making markets in exchange-traded products, adequacy of capital, willingness to promote Nasdaq as a marketplace, issuer preference, operational capacity, support personnel, and history of adherence to Nasdaq rules and securities laws. Nasdaq may limit the number of DLPs in a security, or modify a previously established limit, upon prior written notice to members.

⁵ Securities listed on Nasdaq pursuant to Nasdaq Rule 5711 include Index-Linked Exchangeable Notes, Equity Gold Shares, Trust Certificates, Commodity-Based Trust Shares, Currency Trust

Securities) to the list of securities that may be designated as a Qualified Security, as long as it has at least one DLP. The Exchange proposes to add Nasdaq Rules 5711, 5713, and 5715 to the existing list that already includes: Nasdaq Rule 5704 (Exchange Traded Fund Shares), Nasdaq Rule 5705 (Exchange Traded Funds: Portfolio Depository Receipts and Index Fund Shares), Nasdaq Rule 5710 (Securities Linked to the Performance of Indexes and Commodities (Including Currencies)), Nasdaq Rule 5720 (Trust Issued Receipts), Nasdaq Rule 5735 (Managed Fund Shares), Nasdaq Rule 5745 (Exchange-Traded Managed Fund Shares (“NextShares”)), Nasdaq Rule 5750 (Proxy Portfolio Shares), and Nasdaq Rule 5760 (Managed Portfolio Shares). The Exchange believes that the DLP Program encourages DLPs to maintain better market quality in Nasdaq-listed securities. The Exchange recently listed shares of the iShares Bitcoin Trust and the Valkyrie Bitcoin Fund under Nasdaq Rule 5711(d) (Commodity-Based Trust Shares).⁶ Since these products are new and incubating, the Exchange believes the DLP Program will be beneficial to these ETPs. Currently, other than these two spot bitcoin ETPs, the Exchange does not have any additional products listed under Nasdaq Rule 5711, nor does it have any products currently listed under Rule 5713 or Rule 5715. Nonetheless, similar to the ETPs currently listed in Equity 7, Section 114(f)(1)(A), any future ETPs listed on Nasdaq pursuant to Nasdaq Rules 5711, 5713, and 5715 would benefit from support from a market quality perspective.

Shares, Commodity Index Trust Shares, Commodity Futures Trust Shares, Partnership Units, Trust Units, Managed Trust Securities, and Currency Warrants.

⁶ See Securities Exchange Act Release No. 34-99306 (January 10, 2024), 89 FR 3008 (January 17, 2024).

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁷ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,⁸ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also notes that its ETP listing business operates in a highly competitive market in which market participants, which include both DLPs and ETP issuers, can readily transfer their listings or opt not to participate, respectively, if they deem fee levels, liquidity incentive programs, or any other factor at a particular venue to be insufficient or excessive. The DLP Program, including the proposed rule change, reflects a competitive pricing structure designed to incentivize issuers to list new products and transfer existing products to the Exchange and market participants to enroll and participate as DLPs on the Exchange, which the Exchange believes will enhance market quality in qualified ETPs listed on the Exchange.

The Exchange believes it is reasonable, equitable, and not unfairly discriminatory to expand the list of securities that may be designated as a Qualified Security to include securities listed on Nasdaq pursuant to Nasdaq Rules 5711, 5713, and 5715, as long as it has at least one DLP. The Exchange believes that its proposal to expand the list of securities that may be designated as a Qualified Security to include securities listed on Nasdaq pursuant to Nasdaq Rules 5711, 5713, and 5715, as long as it has at least one DLP, is reasonable because the DLP Program encourages better market quality and ETPs

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(4) and (5).

currently listed on Nasdaq pursuant to Nasdaq Rule 5711 as well as ETPs that may be listed on Nasdaq pursuant to Nasdaq Rules 5711, 5713, and 5715 in the future would benefit from support from a market quality perspective, like the other ETPs currently included in the list of securities that may be designated as a Qualified Security in Equity 7, Section 114(f)(1)(A). As noted above, the Exchange recently listed shares of the iShares Bitcoin Trust and the Valkyrie Bitcoin Fund under Nasdaq Rule 5711(d) (Commodity-Based Trust Shares) and the Exchange believes the DLP Program will be beneficial to these new ETPs. The Exchange believes that the proposal is equitable and not unfairly discriminatory because the expanded list of securities that may be designated as a Qualified Security under the DLP Program would allow for more ETPs to be designated as Qualified Securities and thereby allow more DLPs to receive incentives under the DLP Program. In addition, Nasdaq believes that the proposal stands to improve the quality of the Nasdaq market, to the benefit of all market participants.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem rebates or fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its rebates and fees to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own rebates and fees in response, and because market participants may readily adjust their order routing

practices, the Exchange believes that the degree to which rebate and fee changes in this market may impose any burden on competition is extremely limited.

The Exchange uses incentives, such as the rebates of the DLP Program, to incentivize market participants to improve the market. In this instance, the Exchange is proposing to expand the list of securities that may be designated as a Qualified Security to include securities listed on Nasdaq pursuant to Nasdaq Rules 5711, 5713, and 5715, as long as it has at least one DLP, in an effort to support market quality and reward additional DLPs with incentives under the DLP Program.

The Exchange notes that participation in the DLP Program is entirely voluntary and, to the extent that registered market makers determine that the rebates are not in line with the level of market-improving behavior the Exchange requires, a DLP may elect to deregister as such with no penalty. The Exchange does not believe that the proposed change places an unnecessary burden on competition and, in sum, if the changes proposed herein are unattractive to market makers, it is likely that the Exchange will lose participation in the DLP Program as a result. The Exchange does not believe that the proposal represents a burden on competition among Exchange members, or that the proposal will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.⁹

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NASDAQ-2024-017 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

⁹ 15 U.S.C. 78s(b)(3)(A)(ii).

All submissions should refer to file number SR-NASDAQ-2024-017. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NASDAQ-2024-017 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁰

Sherry R. Haywood,

Assistant Secretary.

¹⁰ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Deleted text is [bracketed]. New text is underlined.

THE NASDAQ STOCK MARKET LLC RULES

* * * * *

Equity Rules

* * * * *

Equity 7: Pricing Schedule

* * * * *

Section 114. Market Quality Incentive Programs

* * * * *

Designated Liquidity Provider ("DLP") Program

(f) The following fees and rebates discussed in this section shall apply to transactions in a Qualified Security by one of its Designated Liquidity Providers associated with its DLP Program MPID. These rebates and fees only apply for executions \$1 per share and above. As used in the DLP Program, the term average daily volume ("ADV") shall mean the total consolidated volume reported to all consolidated transaction reporting plans, for each individual security, by all exchanges and trade reporting facilities during a month divided by the number of trading days during the month. If a security is not listed for a full month the number of trading days will only include the days which the security is listed.

For purposes of this paragraph:

(1) A security may be designated as a "Qualified Security" if:

(A) it is an exchange-traded product listed on Nasdaq pursuant to Nasdaq Rules 5704, 5705, 5710, 5711, 5713, 5715, 5720, 5735, 5745, 5750 or 5760; and

(B) it has at least one Designated Liquidity Provider.

* * * * *