Required fields are shown with yellow backgrounds and asterisks.

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

File No. * SR 2022 - * 014
Amendment No. (req. for Amendments *)

Filing by NASDAQ BX, Inc.

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

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
✓	☐	☐	☐	✓	☐

Pilot	Extension of Time Period for Commission Action *	Date Expires *
☐	☐	

Rule

☐ 19b-4(f)(1)	☐ 19b-4(f)(4)
☐ 19b-4(f)(2)	☐ 19b-4(f)(5)
☐ 19b-4(f)(3)	✓ 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 enhance the BX Retail Price Improvement Program.

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, NASDAQ BX, Inc.
has duty caused this filing to be signed on its behalf by the undersigned thereunto duty authorized.

Date 08/24/2022

By John Zecca (Name *)

(Title *) EVP and Chief Legal Officer

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: 2022.08.24 14:00:29 -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 EFFS website.

Form 19b-4 Information * Add · Remove · View SR-BX-2022-014 19b-4.doc	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-BX-2022-014 Exhibit 1.doc	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 * Add · Remove · View	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-BX-2022-014 Exhibit 5.doc	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) Nasdaq BX, Inc. ("BX" 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 enhance the BX Retail Price Improvement Program.

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 the Board of Directors (the "Board") of the Exchange on July 11, 2022. 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

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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 Equity 4, Rule 4780[3] to enhance the BX Retail Price Improvement Program in a manner that will attract more liquidity providers to participate in the Program. Specifically, the Exchange proposes to amend paragraph (e) of Rule 4780 to provide Participants a choice whether to disseminate the Retail Liquidity Identifier (defined below) when submitting Retail Price Improvement interest to the Exchange.

Retail Price Improvement Program ("RPI Program")

In June 2019, the Commission approved making permanent the Exchange's pilot RPI Program.[4] The RPI Program is designed to attract retail order flow to the Exchange and allow such order flow to receive potential price improvement. The RPI Program is limited to trades occurring at prices equal to or greater than $1.00 per share. Under the RPI Program, Retail Member Organizations are eligible to submit Retail Orders to the Exchange. BX members ("Members") are permitted to provide potential price improvement for Retail Orders in the form of non-displayed interest that is priced more

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3 Hereinafter, references to the Rule 4000 Series shall mean the Rule Series set forth in Equity 4 of the Exchange's Rulebook.

4 Securities Exchange Act Release No. 86194 (June 25, 2019), 84 FR 31385 (July 1, 2019) (SR-BX-2019-011) ("RPI Approval Order"). In addition to approving the proposal to make the RPI Program permanent, the Commission granted the Exchange's request for limited exemptive relief from Rule 612 of Regulation NMS, 17 CFR 242.612 ("Sub-Penny Rule"), which among other things prohibits a national securities exchange from accepting or ranking orders priced greater than $1.00 per share in an increment smaller than $0.01. See id.

aggressively than the Protected National Best Bid or Offer ("Protected NBBO").[5] The Exchange publishes a price improvement indicator notifying market participants that such price improving liquidity is available.

The SEC approved making the RPI Program permanent, in part, because it concluded, "the Exchange's Program data and analysis about price improvement for retail investors… supports the Exchange's conclusion that the program provides meaningful price improvement to retail investors on a regulated exchange venue and has not demonstrably caused harm to the broader market."[6] In approving the pilot RPI Program, the Commission found that "while the Program would treat retail order flow differently from order flow submitted by other market participants, such segmentation would not be inconsistent with Section 6(b)(5) of the Act, which requires that the rules of an exchange are not designed to permit unfair discrimination."[7] As the SEC acknowledged, the retail order segmentation was designed to create greater competition for retail investor orders thereby creating more competition for these orders on transparent and well-regulated exchanges. This would help to ensure that retail investors benefit from competitive price improvement that exchange-based liquidity providers provide.

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5 The term Protected Quotation is defined in Equity 1, Section 1(a)(16) and has the same meaning as is set forth in Regulation NMS Rule 600. The Protected NBBO is the best-priced protected bid and offer. Generally, the Protected NBBO and the national best bid and offer ("NBBO") will be the same. However, a market center is not required to route to the NBBO if that market center is subject to an exception under Regulation NMS Rule 611(b)(1) or if such NBBO is otherwise not available for an automatic execution. In such case, the Protected NBBO would be the best-priced protected bid or offer to which a market center must route interest pursuant to Regulation NMS Rule 611.

6 See RPI Approval Order, supra note 4 at 31387.

7 Securities Exchange Act Release No. 73702 (November 28, 2014), 79 FR 72049, 72051 (December 4, 2014) (SR-BX-2014-048).

Retail Liquidity Identifier

Currently, the Exchange disseminates an identifier when RPI interest priced at least $0.001 better than the Exchange's Protected Bid or Protected Offer for a particular security is available in the System (the "Retail Liquidity Identifier"). The Retail Liquidity Identifier is disseminated through consolidated data streams (i.e., pursuant to the Consolidated Tape Association Plan/Consolidated Quotation System, or CTA/CQS, for Tape A and Tape B securities, and The Nasdaq Stock Market, LLC ("Nasdaq") UTP Plan for Tape C securities) as well as through proprietary Exchange data feeds.[8] The Retail Liquidity Identifier reflects the symbol and the side (buy or sell) of the RPI interest, but does not include the price or size of the RPI interest. In particular, CQS and UTP quoting outputs include a field for codes related to the Retail Liquidity Identifier. The codes indicate RPI interest that is priced better than the Exchange's Protected Bid or Protected Offer by at least the minimum level of price improvement as required by the RPI Program.

The Exchange proposes to amend Rule 4780(e) to enable Participants that send Retail Price Improvement Orders to elect whether to disseminate the Retail Liquidity Identifier. The Exchange believes that providing Participants with the option to opt out of dissemination of the Retail Liquidity Identifier is appropriate in order to increase liquidity in the RPI Program and improve price improvement for retail investors. The Exchange believes that the mandatory use of the Retail Liquidity Identifier discourages

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[8] The Exchange notes that the Retail Liquidity Identifier for Tape A and Tape B securities are disseminated pursuant to the CTA/CQS Plan. The identifier is also available through the consolidated public market data stream for Tape C securities. The processor for the Nasdaq UTP quotation stream disseminates the Retail Liquidity Identifier and analogous identifiers from other market centers that operate programs similar to the RPI Program.

some firms from providing liquidity to the RPI Program due to concerns around signaling to the market. The Exchange is confident that, by allowing firms to opt out of displaying the Retail Liquidity Identifier, the Exchange would be able to increase participation in the RPI Program and generate additional price improvement to orders of retail investors.

Although the Exchange expects that the proposed optionality relating to the Retail Liquidity Identifier would increase liquidity to the RPI Program, the Exchange also recognizes the value of the Retail Liquidity Identifier, which makes it clear that there is price improving liquidity available. Therefore, the Exchange will monitor the program in light of the change and, if necessary, propose modifications aimed at ensuring the program continues to operate consistent with its design and objectives.

Implementation Date

The Exchange intends to introduce this new functionality no later than the Fourth Quarter of 2022. In any event, the Exchange will issue an Equities Trader Alert not less than 7 days prior to introducing the new functionality.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[9] in general, and furthers the objectives of Section 6(b)(5) of the Act,[10] in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest, by promoting competition for retail order flow among execution venues and providing the potential for meaningful price improvement to orders of retail investors. The proposal would allow

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[9] 15 U.S.C. 78f(b).

[10] 15 U.S.C. 78f(b)(5).

Participants to choose whether to disseminate the Retail Liquidity Identifier when Participants submit Retail Price Improvement Orders to the Exchange. By providing an option to opt out of disseminating the Retail Liquidity Identifier, the Exchange could attract more liquidity providers to interact with retail order flow.

A significant percentage of retail order flow is executed off-exchanges. The Exchange believes that it is appropriate to continue to improve the RPI Program to encourage on-exchange interaction with retail investor orders. The proposed changes to the RPI Program would increase competition among execution venues, encourage additional liquidity, and offer potential price improvement to retail investors. Increased competition for retail order flow could also lead to increased investor interest in trading securities and innovation within the market, thereby increasing the quality of the national market system.

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 believes that, by allowing Participants to choose whether to disseminate the Retail Liquidity Identifier, the proposed rule change would enhance competition for retail order flow among execution venues. This change would encourage expansion of the RPI Program, thereby creating additional price improvement opportunities for retail orders and increasing competition between execution venues. All Participants would have the option to opt out of displaying the Retail Liquidity Identifier.

The Exchange believes that the proposed rule changes would increase competitive interaction with retail investor orders which should lead to increased retail investor order activity on transparent and well-regulated exchanges. This would help to ensure that retail investors benefit from competitive price improvement that exchange-based liquidity providers provide. The Exchange operates in a highly competitive market in which market participants can easily direct their orders to competing venues, including off-exchange venues. In such an environment, the Exchange must continually review and consider adjusting the services it offers and the requirements it imposes to remain competitive with other venues. Therefore, the Exchange believes that the proposed rule change reflects this competitive environment.

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)

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii)[11] of the Act and Rule 19b-4(f)(6) thereunder[12] in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The Exchange believes that the proposed rule change supports the protection of investors or the public interest because the proposal seeks to bring price improvement to

[11] 15 U.S.C. 78s(b)(3)(A)(iii).

[12] 17 CFR 240.19b-4(f)(6).

retail investors by providing additional optionality within the RPI Program. A significant percentage of retail order flow is executed off-exchanges, which operate pursuant to different rules and regulatory requirements. The Exchange believes that the mandatory use of the Retail Liquidity Identifier discourages some firms from providing liquidity to the RPI Program due to concerns around signaling to the market. The Exchange believes that, by allowing firms to opt out of displaying the Retail Liquidity Identifier, the Exchange would be able to increase participation in the RPI Program and generate additional liquidity and price improvement to orders of retail investors. Additional liquidity and price improvement opportunities on the Exchange would create greater competition for retail investor orders and help ensure that retail investors benefit from competitive price improvement, including on transparent and well-regulated exchanges.

Additionally, the Exchange believes that the proposal does not impose any significant burden on competition. All Participants would have the option to opt out of displaying the Retail Liquidity Identifier. The Exchange believes that, by allowing Participants to choose whether to disseminate the Retail Liquidity Identifier, the proposed rule change would encourage expansion of the RPI Program, create additional price improvement opportunities for retail investors, and increase competition between execution venues. Competing venues have and continue to adopt and refine similar retail programs, subject to the SEC rule change process. The Exchange operates in a highly competitive market in which market participants can easily direct their orders to competing venues, including off-exchange venues. In such an environment, the Exchange must continually review and consider adjusting the services it offers and the requirements it imposes to remain competitive with other venues.

Furthermore, Rule 19b-4(f)(6)(iii)[13] requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

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 necessary or appropriate in the public interest, for the protection of investors, or 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

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

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.

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[13] 17 CFR 240.19b-4(f)(6)(iii).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. ; File No. SR-BX-2022-014)

August __, 2022

Self-Regulatory Organizations; Nasdaq BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Enhance the BX Retail Price Improvement Program

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 August 24, 2022, Nasdaq BX, Inc. ("BX" 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 4, Rule 4780 to enhance the BX Retail Price Improvement Program, as described further below. The text of the proposed rule change is available on the Exchange's Website at https://listingcenter.nasdaq.com/rulebook/bx/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 received on the proposed rule change. The text of these statements may be examined at

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

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 Equity 4, Rule 4780[3] to enhance the BX Retail Price Improvement Program in a manner that will attract more liquidity providers to participate in the Program. Specifically, the Exchange proposes to amend paragraph (e) of Rule 4780 to provide Participants a choice whether to disseminate the Retail Liquidity Identifier (defined below) when submitting Retail Price Improvement interest to the Exchange.

Retail Price Improvement Program ("RPI Program")

In June 2019, the Commission approved making permanent the Exchange's pilot RPI Program.[4] The RPI Program is designed to attract retail order flow to the Exchange and allow such order flow to receive potential price improvement. The RPI Program is limited to trades occurring at prices equal to or greater than $1.00 per share. Under the RPI Program, Retail Member Organizations are eligible to submit Retail Orders to the Exchange. BX members ("Members") are permitted to provide potential price improvement for Retail Orders in the form of non-displayed interest that is priced more

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3 Hereinafter, references to the Rule 4000 Series shall mean the Rule Series set forth in Equity 4 of the Exchange's Rulebook.

4 Securities Exchange Act Release No. 86194 (June 25, 2019), 84 FR 31385 (July 1, 2019) (SR-BX-2019-011) ("RPI Approval Order"). In addition to approving the proposal to make the RPI Program permanent, the Commission granted the Exchange's request for limited exemptive relief from Rule 612 of Regulation NMS, 17 CFR 242.612 ("Sub-Penny Rule"), which among other things prohibits a national securities exchange from accepting or ranking orders priced greater than $1.00 per share in an increment smaller than $0.01. See id.

aggressively than the Protected National Best Bid or Offer ("Protected NBBO").[5] The Exchange publishes a price improvement indicator notifying market participants that such price improving liquidity is available.

The SEC approved making the RPI Program permanent, in part, because it concluded, "the Exchange's Program data and analysis about price improvement for retail investors… supports the Exchange's conclusion that the program provides meaningful price improvement to retail investors on a regulated exchange venue and has not demonstrably caused harm to the broader market."[6] In approving the pilot RPI Program, the Commission found that "while the Program would treat retail order flow differently from order flow submitted by other market participants, such segmentation would not be inconsistent with Section 6(b)(5) of the Act, which requires that the rules of an exchange are not designed to permit unfair discrimination."[7] As the SEC acknowledged, the retail order segmentation was designed to create greater competition for retail investor orders thereby creating more competition for these orders on transparent and well-regulated exchanges. This would help to ensure that retail investors benefit from competitive price improvement that exchange-based liquidity providers provide.

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5 The term Protected Quotation is defined in Equity 1, Section 1(a)(16) and has the same meaning as is set forth in Regulation NMS Rule 600. The Protected NBBO is the best-priced protected bid and offer. Generally, the Protected NBBO and the national best bid and offer ("NBBO") will be the same. However, a market center is not required to route to the NBBO if that market center is subject to an exception under Regulation NMS Rule 611(b)(1) or if such NBBO is otherwise not available for an automatic execution. In such case, the Protected NBBO would be the best-priced protected bid or offer to which a market center must route interest pursuant to Regulation NMS Rule 611.

6 See RPI Approval Order, supra note 4 at 31387.

7 Securities Exchange Act Release No. 73702 (November 28, 2014), 79 FR 72049, 72051 (December 4, 2014) (SR-BX-2014-048).

Retail Liquidity Identifier

Currently, the Exchange disseminates an identifier when RPI interest priced at least \$0.001 better than the Exchange's Protected Bid or Protected Offer for a particular security is available in the System (the "Retail Liquidity Identifier"). The Retail Liquidity Identifier is disseminated through consolidated data streams (i.e., pursuant to the Consolidated Tape Association Plan/Consolidated Quotation System, or CTA/CQS, for Tape A and Tape B securities, and The Nasdaq Stock Market, LLC ("Nasdaq") UTP Plan for Tape C securities) as well as through proprietary Exchange data feeds.[8] The Retail Liquidity Identifier reflects the symbol and the side (buy or sell) of the RPI interest, but does not include the price or size of the RPI interest. In particular, CQS and UTP quoting outputs include a field for codes related to the Retail Liquidity Identifier. The codes indicate RPI interest that is priced better than the Exchange's Protected Bid or Protected Offer by at least the minimum level of price improvement as required by the RPI Program.

The Exchange proposes to amend Rule 4780(e) to enable Participants that send Retail Price Improvement Orders to elect whether to disseminate the Retail Liquidity Identifier. The Exchange believes that providing Participants with the option to opt out of dissemination of the Retail Liquidity Identifier is appropriate in order to increase liquidity in the RPI Program and improve price improvement for retail investors. The Exchange believes that the mandatory use of the Retail Liquidity Identifier discourages

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8 The Exchange notes that the Retail Liquidity Identifier for Tape A and Tape B securities are disseminated pursuant to the CTA/CQS Plan. The identifier is also available through the consolidated public market data stream for Tape C securities. The processor for the Nasdaq UTP quotation stream disseminates the Retail Liquidity Identifier and analogous identifiers from other market centers that operate programs similar to the RPI Program.

some firms from providing liquidity to the RPI Program due to concerns around signaling to the market. The Exchange is confident that, by allowing firms to opt out of displaying the Retail Liquidity Identifier, the Exchange would be able to increase participation in the RPI Program and generate additional price improvement to orders of retail investors.

Although the Exchange expects that the proposed optionality relating to the Retail Liquidity Identifier would increase liquidity to the RPI Program, the Exchange also recognizes the value of the Retail Liquidity Identifier, which makes it clear that there is price improving liquidity available. Therefore, the Exchange will monitor the program in light of the change and, if necessary, propose modifications aimed at ensuring the program continues to operate consistent with its design and objectives.

Implementation Date

The Exchange intends to introduce this new functionality no later than the Fourth Quarter of 2022. In any event, the Exchange will issue an Equities Trader Alert not less than 7 days prior to introducing the new functionality.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[9] in general, and furthers the objectives of Section 6(b)(5) of the Act,[10] in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest, by promoting competition for retail order flow among execution venues and providing the potential for meaningful price improvement to orders of retail investors. The proposal would allow

[9] 15 U.S.C. 78f(b).

[10] 15 U.S.C. 78f(b)(5).

Participants to choose whether to disseminate the Retail Liquidity Identifier when Participants submit Retail Price Improvement Orders to the Exchange. By providing an option to opt out of disseminating the Retail Liquidity Identifier, the Exchange could attract more liquidity providers to interact with retail order flow.

A significant percentage of retail order flow is executed off-exchanges. The Exchange believes that it is appropriate to continue to improve the RPI Program to encourage on-exchange interaction with retail investor orders. The proposed changes to the RPI Program would increase competition among execution venues, encourage additional liquidity, and offer potential price improvement to retail investors. Increased competition for retail order flow could also lead to increased investor interest in trading securities and innovation within the market, thereby increasing the quality of the national market system.

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 believes that, by allowing Participants to choose whether to disseminate the Retail Liquidity Identifier, the proposed rule change would enhance competition for retail order flow among execution venues. This change would encourage expansion of the RPI Program, thereby creating additional price improvement opportunities for retail orders and increasing competition between execution venues. All Participants would have the option to opt out of displaying the Retail Liquidity Identifier.

The Exchange believes that the proposed rule changes would increase competitive interaction with retail investor orders which should lead to increased retail investor order activity on transparent and well-regulated exchanges. This would help to ensure that retail investors benefit from competitive price improvement that exchange-based liquidity providers provide. The Exchange operates in a highly competitive market in which market participants can easily direct their orders to competing venues, including off-exchange venues. In such an environment, the Exchange must continually review and consider adjusting the services it offers and the requirements it imposes to remain competitive with other venues. Therefore, the Exchange believes that the proposed rule change reflects this competitive environment.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act[11] and subparagraph (f)(6) of Rule 19b-4 thereunder.[12]

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 necessary or appropriate in the public interest, for the

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11 15 U.S.C. 78s(b)(3)(A)(iii).

12 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

protection of investors, or 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 (http://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-BX-2022-014 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.

All submissions should refer to File Number SR-BX-2022-014. This file number should be included on the subject line if e-mail 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 Web site (http://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 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-BX-2022-014 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[13]

J. Matthew DeLesDernier
Assistant Secretary

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[13] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

Nasdaq BX, Inc. Rules

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Equity Rules

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Equity 4: Equity Trading Rules

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4780. Retail Price Improvement Program

(a) – (d) No change.

(e) Retail Liquidity Identifier. <u>If a Participant does not opt out of identifying their RPI interest as such, an</u>[An] identifier shall be disseminated through proprietary data feeds and through the appropriate Securities Information Processor when RPI interest priced at least $0.001 better than the Exchange's Protected Bid or Protected Offer for a particular security is available in the System ("Retail Liquidity Identifier"). The Retail Liquidity Identifier shall reflect the symbol for the particular security and the side (buy or sell) of the RPI interest, but shall not include the price or size of the RPI interest. <u>If a Participant opts out of identifying their RPI interest as such, no Retail Liquidity Identifier will be disseminated.</u>

(f) – (h) No change.

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