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

File No. * SR 2024 - * 049

Amendment No. (req. for Amendments *)

Filing by NASDAQ BX, Inc.

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"/>	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)		
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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 the Exchanges fees for connectivity and co-location services.

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 * Brett Last Name * Kitt

Title * Vice President and Deputy General Counsel

E-mail * Brett.Kitt@Nasdaq.com

Telephone * (301) 978-8132 Fax

Signature

Pursuant to the requirements of the Securities Exchange of 1934, NASDAQ BX, Inc. has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 11/18/2024 (Title *)

By John Zecca (Name *) 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: 2024.11.18
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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 *

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SR-BX-2024-049 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-BX-2024-049 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

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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

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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

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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-2024-049 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

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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 amend the Exchange’s fees for connectivity and co-location services, 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:

Brett Kitt
Vice President and Deputy General Counsel
Nasdaq, Inc.
301-978-8132

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 Exchange’s fees relating to connectivity and co-location services.³ Specifically, the Exchange proposes a one-time adjustment to raise its fees for connectivity and co-location services in General 8, fees assessed for remote multi-cast ITCH (“MITCH”) Wave Ports in Equity 7, Section 115, and certain fees related to Nasdaq Testing Facilities in Equity 7, Section 130 by 10%, with certain exceptions.

General 8, Section 1 includes the Exchange’s fees that relate to connectivity, including fees for cabinets, external telco / inter-cabinet connectivity fees, fees for connectivity to the Exchange, fees for connectivity to third party services, fees for market data connectivity, fees for cabinet power install, and fees for additional charges and services. General 8, Section 2 includes the Exchange’s fees for direct connectivity services, including fees for direct circuit connection to the Exchange, fees for direct circuit connection to third party services, and fees for point of presence connectivity. With the exceptions of the Exchange’s GPS Antenna fees and the Cabinet Proximity Option Fee for cabinets with power density >10kW,⁴ the Exchange proposes to increase its fees throughout General 8 by 10%.

³ The Exchange initially filed the proposed pricing change on March 1, 2024 (SR-BX-2024-008). On April 29, 2024, the Exchange withdrew that filing and submitted SR-BX-2024-014. The Exchange withdrew BX-2024-14 and replaced it with SR-BX-2024-20. The Exchange withdrew SR-BX-2024-020 and replaced it with SR-BX-2024-033 on September 10, 2024. On October 11, 2024, the Exchange replaced SR-BX-2024-033 with SR-BX-2024-042. On November 08, 2024, the Exchange replaced SR-BX-2024-042 with SR-BX-2024-046. The instant filing replaces SR-BX-2024-046.

⁴ The Exchange proposes to exclude the GPS Antenna fees from the proposed fee increase because, unlike the other fees in General 8, the Exchange recently increased its GPS Antenna fees. See Securities Exchange Act Release No. 34-99124 (December 8, 2023), 88 FR 86715 (December 14,

In addition to increasing fees in General 8, the Exchange also proposes to increase certain fees in Equity 7. First, the Exchange proposes to increase the installation and recurring monthly fees assessed for remote MITCH Wave Ports⁵ in Equity 7, Section 115(g)(1) by 10%. In addition, the Exchange proposes to increase certain fees in Section 130(d), which relate to the Nasdaq Testing Facility. Equity 7, Section 130(d)(1)(C) provides that subscribers to the Nasdaq Testing Facility (“NTF”) located in Carteret, New Jersey shall pay a fee of \$1,000 per hand-off, per month for connection to the NTF. The hand-off fee includes either a 1Gb or 10Gb switch port and a cross connect to the NTF. In addition, Equity 7, Section 130(d)(1)(C) provides that subscribers shall also pay a one-time installation fee of \$1,000 per hand-off. The Exchange proposes to increase these aforementioned fees by 10% to require that subscribers to the NTF shall pay a fee of \$1,100 per hand-off, per month for connection to the NTF and a one-time installation fee of \$1,100 per hand-off.

The proposed increases in fees would enable the Exchange to maintain and improve its market technology and services to remain competitive with its peers. Over the years, customer demand for more sophisticated, higher-throughput, lower-latency, and higher-power connectivity solutions has increased. The Exchange continues to invest in maintaining, improving, and enhancing its connectivity and co-location products,

2023) (SR-BX-2023-033). The Exchange also proposes to exclude the Cabinet Proximity Option Fee for cabinets with power density >10kW from the proposed fee increase because the Exchange recently established such fee. See Securities Exchange Act Release No. 34-100195 (May 21, 2024), 89 FR 46180 (May 28, 2024) (SR-BX-2024-017). Similarly, the Exchange proposes to exclude from the proposed fee increase those fees that the Exchange recently established for services in its new NY11-4 expansion facility. See Securities Exchange Act Release No. 34-101265 (October 7, 2024), 89 FR 82663 (October 11, 2024) (SR-BX-2024-037).

⁵ Remote MITCH Wave Ports are for clients co-located at other third-party data centers, through which NASDAQ TotalView ITCH market data is distributed after delivery to those data centers via wireless network.

services, and facilities – for the benefit and often at the behest of its customers. Such enhancements include refreshing hardware and expanding Nasdaq’s existing co-location facility to offer customers additional space and power. Nevertheless, and with the exception of fees that were established as part of a new service in 2017 (and have remained unchanged since their adoption), the Exchange has not increased any of the fees included in the proposal since prior to 2017, and many of the fees date back to between 2010 and 2014. For each of the connectivity products and services that pre-date 2017, inflation (as measured using the “Data PPI” metric described below) has been between roughly 15-17%, and in no instance has such inflation been less than 10%. Nevertheless, the Exchange proposes to increase its fees only with respect to the 10% inflation that has occurred since 2017.

As discussed below, the Exchange proposes to adjust its fees by an industry- and product-specific inflationary measure. It is reasonable and consistent with the Act for the Exchange to recoup its investments, at least in part, by adjusting its fees. Continuing to operate at fees frozen at 2010-2017 levels impacts the Exchange’s ability to enhance its offerings and the interests of market participants and investors.

The fee increases the Exchange proposes are based on an industry-specific Producer Price Index (“PPI”), which is a tailored measure of inflation.⁶ As a general matter, the Producer Price Index is a family of indexes that measures the average change over time in selling prices received by domestic producers of goods and services. PPI measures price change from the perspective of the seller. This contrasts with other metrics, such as the Consumer Price Index (“CPI”), that measure price change from the

⁶ See <https://fred.stlouisfed.org/series/PCU51825182#0>.

purchaser's perspective.⁷ About 10,000 PPIs for individual products and groups of products are tracked and released each month.⁸ PPIs are available for the output of nearly all industries in the goods-producing sectors of the U.S. economy—mining, manufacturing, agriculture, fishing, and forestry—as well as natural gas, electricity, and construction, among others. The PPI program covers approximately 69 percent of the service sector's output, as measured by revenue reported in the 2017 Economic Census.

For purposes of this proposal, the relevant industry-specific PPI is the Data Processing and Related Services PPI (“Data PPI”), which is an industry net-output PPI that measures the average change in selling prices received by companies that provide data processing services.

The Data PPI was introduced in January 2002 by the Bureau of Labor Statistics (“BLS”) as part of an ongoing effort to expand Producer Price Index coverage of the services sector of the U.S. economy and is identified as NAICS - 518210 in the North American Industry Classification System.⁹ According to the BLS “[t]he primary output of NAICS 518210 is the provision of electronic data processing services. In the broadest sense, computer services companies help their customers efficiently use technology. The processing services market consists of vendors who use their own computer systems—often utilizing proprietary software—to process customers’ transactions and data. Companies that offer processing services collect, organize, and store a customer’s transactions and other data for record-keeping purposes. Price movements for the

⁷ See <https://www.bls.gov/ppi/overview.htm>.

⁸ See *Id.*

⁹ NAICS appears in table 5 of the PPI Detailed Report and is available at <https://data.bls.gov/timeseries/PCU518210518210>.

NAICS 518210 index are based on changes in the revenue received by companies that provide data processing services. Each month, companies provide net transaction prices for a specified service. The transaction is an actual contract selected by probability, where the price-determining characteristics are held constant while the service is repriced. The prices used in index calculation are the actual prices billed for the selected service contract.”¹⁰

The Exchange believes the Data PPI is an appropriate measure to be considered in the context of the proposed rule change to modify the fee for its connectivity products because the Exchange uses its “own computer systems” and “proprietary software,” i.e., its own data center and proprietary matching engine software, respectively, to collect, organize, store and report customers’ transactions in U.S. equity securities on the Exchange’s proprietary trading platform. In other words, the Exchange is in the business of data processing and related services.

For purposes of this proposed rule change, the Exchange examined the Data PPI value for the period from January 2017 to August 2024. The Data PPI had a starting value of 105.6 in January 2017 and an ending value of 116.022 in August 2024, a 10.422% increase. This indicates that companies who are also in the data storage and processing business have generally increased prices for a specified service covered under NAICS 518210 by an average of 10.422% during this period. Based on that percentage change, the Exchange proposes to make a one-time fee increase of only 10%, which

¹⁰ See <https://www.bls.gov/ppi/factsheets/producer-price-index-for-the-data-processing-and-related-servicesindustry-naics-518210.htm>.

reflects an increase covering roughly the entire period since the last price adjustments to these fees were made.

The Exchange further believes the Data PPI is an appropriate measure for purposes of the proposed rule change on the basis that it is a stable metric with limited volatility, unlike other consumer-side inflation metrics. In fact, the Data PPI has not experienced a greater than 2.16% increase for any one calendar year period since Data PPI was introduced into the PPI in January 2002. The average calendar year change from January 2002 to December 2023 was .62%, with a cumulative increase of 15.67% over this 21-year period. The Exchange believes the Data PPI is considerably less volatile than other inflation metrics such as CPI, which has had individual calendar-year increases of more than 6.5%, and a cumulative increase of over 73% over the same period.¹¹

The Exchange believes the Data PPI, and significant investments into, and enhanced performance of, the Exchange support the reasonableness of the proposed fee increases.¹²

These proposed fee increases will be immediately effective upon filing. However, going forward and until December 1, 2024, the Exchange will waive all fees set forth herein to the extent that such fees exceed the levels that would have been charged for the same products and services purchased during that time period, had such fees been calculated at the rates set forth in SR-BX-2024-033 (i.e., pricing reflective of a

¹¹ See <https://www.usinflationcalculator.com/inflation/consumer-price-index-and-annual-percent-changesfrom-1913-to-2008/>.

¹² See *supra* discussion of connectivity product and facility improvements. Additionally, other exchanges have filed for increases in certain fees, based in part on comparisons to inflation. See, e.g., Securities Exchange Act Release Nos. 34-100004 (April 22, 2024), 89 FR 32465 (April 26, 2024) (SR-CboeBYX-2024-012); and 34-100398 (June 21, 2024), 89 FR 53676 (June 27, 2024) (SR-BOX-2024-16); Securities Exchange Act Release No. 34-100994 (September 10, 2024), 89 FR 75612 (September 16, 2024) (SR-NYSEARCA-2024-79).

5.5% increase from prior fee levels). This waiver is reasonable, equitable, and not unfairly discriminatory because it will afford all customers in excess of the 30-day prior notice period for fee changes set forth in the Exchange's service terms.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹³ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,¹⁴ 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.

This belief is based on two factors. First, the current fees do not properly reflect the quality of the services and products, as fees for the services and products in question have been static in nominal terms, and therefore falling in real terms due to inflation. Second, the Exchange believes that investments made in enhancing the capacity and speed of Exchange systems increase the performance of the services and products.

The Proposed Rule Change Is Reasonable

As noted above, the Exchange has not increased any of the fees included in the proposal since 2017 or earlier. However, in the years following the last fee increases, the Exchange has made significant investments in upgrades to its connectivity products, services, and facilities, enhancing the quality of its services. In other words, Exchange customers have greatly benefitted, while the Exchange's ability to recoup its investments has been hampered. Between 2017 and 2024, the inflation rate is 3.64% per year, on

¹³ 15 U.S.C. 78f(b).

¹⁴ 15 U.S.C. 78f(b)(4) and (5).

average, producing a cumulative inflation rate of 28.43%.¹⁵ Using the more targeted inflation number of Data PPI, the cumulative inflation rate was 10.422%. The exchange believes the Data PPI is a reasonable metric to base this fee increase on because it is targeted to producer-side increases in the data processing industry.

Notwithstanding inflation, as noted above, the Exchange has not increased its fees at all for over seven years for the subject services. The proposed fee changes represent a modest increase from the current fees. The Exchange believes the proposed fee increase is reasonable in light of the Exchange's continued expenditure in maintaining a robust technology ecosystem. Furthermore, the Exchange continues to invest in maintaining and enhancing its connectivity products – for the benefit and often at the behest of its customers and global investors. Such enhancements include refreshing all aspects of the technology ecosystem including software, hardware, and network while introducing new and innovative products and expanded and modernized facilities.¹⁶ The goal of the enhancements discussed above, among other things, is to provide faster, higher-capacity, and more modern connectivity products and services. Accordingly, the Exchange continues to expend resources to innovate and modernize technology so that it may benefit its members in offering its connectivity products and services.

The Proposed Fees Are Equitably Allocated and Not Unfairly Discriminatory

The Exchange believes that the proposed fee increases are equitably allocated and not unfairly discriminatory because they would apply to all market participants that

¹⁵ See <https://www.officialdata.org/us/inflation/2017?amount=1>.

¹⁶ See, e.g., Securities Exchange Act Release No.34-101073 (September 18, 2024), 89 FR 77926 (September 24, 2024) (SR-BX-2024-035 (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Expand [the Exchange's] Co-Location Services)).

choose to purchase connectivity products and services from the Exchange. Any participant that chooses to purchase the Exchange's connectivity products and services would be subject to the same Fee Schedule, regardless of what type of business they operate or the use they plan to make use of the products and services. Additionally, the fee increase would be applied uniformly to market participants without regard to Exchange membership status or the extent of any other business with the Exchange or affiliated entities. The Exchange also believes that the proposal represents an equitable allocation of reasonable dues, fees and other charges because Exchange fees have fallen in real terms during the relevant period. Finally, the Exchange believes that the proposed fee changes are not unfairly discriminatory because the fees would be assessed uniformly across all market participants, in the same manner they are today, that voluntarily purchase the Exchange's connectivity products and services, which would remain available for purchase by all market participants.

These proposed fee increases will be immediately effective upon filing. However, going forward and until December 1, 2024, the Exchange will waive all fees set forth herein to the extent that such fees exceed the levels that would have been charged for the same products and services purchased during that time period, had such fees been calculated at the rates set forth in SR-BX-2024-033 (i.e., pricing reflective of a 5.5% increase from prior fee levels). This waiver is reasonable, equitable, and not unfairly discriminatory because it will afford all customers in excess of the 30-day prior notice period for fee changes set forth in the Exchange's service terms.

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

The Exchange does not believe that the proposed fees will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Intramarket Competition

The Exchange believes that the proposed fees do not put any market participants at a relative disadvantage compared to other market participants. As noted above, the fee schedule would continue to apply to all purchasers of the Exchange's connectivity products and services in the same manner as it does today albeit at inflation-adjusted rates for certain fees, and customers may choose whether to purchase these products and services at all. The Exchange also believes that the level of the proposed fees neither favor nor penalize one or more categories of market participants in a manner that would impose an undue burden on competition. Likewise, the proposed fee waiver described above will apply to all purchasers of the Exchange's connectivity products and services in the same manner and therefore will not burden competition among them.

Intermarket Competition

The Exchange believes that the proposed fees do not impose a burden on competition or on other SROs that is not necessary or appropriate. In determining the proposed fees, the Exchange utilized an objective and stable metric with limited volatility. Utilizing Data PPI over a specified period of time is a reasonable means of recouping the Exchange's investment in maintaining and enhancing its connectivity products, services, and facilities. The Exchange believes utilizing Data PPI, a tailored measure of inflation, to increase certain fees for connectivity products and services to recoup the Exchange's investment in maintaining and enhancing such products, services, and its facilities would not impose a burden on competition.

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,¹⁷ 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.

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

The proposal has similarities to a proposal filed with the Commission by NYSE Arca.¹⁸

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.

¹⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁸ See, Securities Exchange Act Release No. 34-100994 (September 10, 2024), 89 FR 75612 (September 16, 2024) (SR-NYSEARCA-2024-79).

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-BX-2024-049)

November __, 2024

Self-Regulatory Organizations; Nasdaq BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend its Fees for Connectivity and Co-location Services

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 November 18, 2024, 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 the Exchange’s fees for connectivity and co-location services, 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

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 Exchange's fees relating to connectivity and co-location services.³ Specifically, the Exchange proposes a one-time adjustment to raise its fees for connectivity and co-location services in General 8, fees assessed for remote multi-cast ITCH ("MITCH") Wave Ports in Equity 7, Section 115, and certain fees related to Nasdaq Testing Facilities in Equity 7, Section 130 by 10%, with certain exceptions.

General 8, Section 1 includes the Exchange's fees that relate to connectivity, including fees for cabinets, external telco / inter-cabinet connectivity fees, fees for connectivity to the Exchange, fees for connectivity to third party services, fees for market data connectivity, fees for cabinet power install, and fees for additional charges and services. General 8, Section 2 includes the Exchange's fees for direct connectivity services, including fees for direct circuit connection to the Exchange, fees for direct circuit connection to third party services, and fees for point of presence connectivity. With the exceptions of the Exchange's GPS Antenna fees and the Cabinet Proximity

³ The Exchange initially filed the proposed pricing change on March 1, 2024 (SR-BX-2024-008). On April 29, 2024, the Exchange withdrew that filing and submitted SR-BX-2024-014. The Exchange withdrew BX-2024-14 and replaced it with SR-BX-2024-20. The Exchange withdrew SR-BX-2024-020 and replaced it with SR-BX-2024-033 on September 10, 2024. On October 11, 2024, the Exchange replaced SR-BX-2024-033 with SR-BX-2024-042. On November 08, 2024, the Exchange replaced SR-BX-2024-042 with SR-BX-2024-046. The instant filing replaces SR-BX-2024-046.

Option Fee for cabinets with power density >10kW,⁴ the Exchange proposes to increase its fees throughout General 8 by 10%.

In addition to increasing fees in General 8, the Exchange also proposes to increase certain fees in Equity 7. First, the Exchange proposes to increase the installation and recurring monthly fees assessed for remote MITCH Wave Ports⁵ in Equity 7, Section 115(g)(1) by 10%. In addition, the Exchange proposes to increase certain fees in Section 130(d), which relate to the Nasdaq Testing Facility. Equity 7, Section 130(d)(1)(C) provides that subscribers to the Nasdaq Testing Facility (“NTF”) located in Carteret, New Jersey shall pay a fee of \$1,000 per hand-off, per month for connection to the NTF. The hand-off fee includes either a 1Gb or 10Gb switch port and a cross connect to the NTF. In addition, Equity 7, Section 130(d)(1)(C) provides that subscribers shall also pay a one-time installation fee of \$1,000 per hand-off. The Exchange proposes to increase these aforementioned fees by 10% to require that subscribers to the NTF shall pay a fee of \$1,100 per hand-off, per month for connection to the NTF and a one-time installation fee of \$1,100 per hand-off.

The proposed increases in fees would enable the Exchange to maintain and improve its market technology and services to remain competitive with its peers. Over

⁴ The Exchange proposes to exclude the GPS Antenna fees from the proposed fee increase because, unlike the other fees in General 8, the Exchange recently increased its GPS Antenna fees. See Securities Exchange Act Release No. 34-99124 (December 8, 2023), 88 FR 86715 (December 14, 2023) (SR-BX-2023-033). The Exchange also proposes to exclude the Cabinet Proximity Option Fee for cabinets with power density >10kW from the proposed fee increase because the Exchange recently established such fee. See Securities Exchange Act Release No. 34-100195 (May 21, 2024), 89 FR 46180 (May 28, 2024) (SR-BX-2024-017). Similarly, the Exchange proposes to exclude from the proposed fee increase those fees that the Exchange recently established for services in its new NY11-4 expansion facility. See Securities Exchange Act Release No. 34-101265 (October 7, 2024), 89 FR 82663 (October 11, 2024) (SR-BX-2024-037).

⁵ Remote MITCH Wave Ports are for clients co-located at other third-party data centers, through which NASDAQ TotalView ITCH market data is distributed after delivery to those data centers via wireless network.

the years, customer demand for more sophisticated, higher-throughput, lower-latency, and higher-power connectivity solutions has increased. The Exchange continues to invest in maintaining, improving, and enhancing its connectivity and co-location products, services, and facilities – for the benefit and often at the behest of its customers. Such enhancements include refreshing hardware and expanding Nasdaq’s existing co-location facility to offer customers additional space and power. Nevertheless, and with the exception of fees that were established as part of a new service in 2017 (and have remained unchanged since their adoption), the Exchange has not increased any of the fees included in the proposal since prior to 2017, and many of the fees date back to between 2010 and 2014. For each of the connectivity products and services that pre-date 2017, inflation (as measured using the “Data PPI” metric described below) has been between roughly 15-17%, and in no instance has such inflation been less than 10%. Nevertheless, the Exchange proposes to increase its fees only with respect to the 10% inflation that has occurred since 2017.

As discussed below, the Exchange proposes to adjust its fees by an industry- and product-specific inflationary measure. It is reasonable and consistent with the Act for the Exchange to recoup its investments, at least in part, by adjusting its fees. Continuing to operate at fees frozen at 2010-2017 levels impacts the Exchange’s ability to enhance its offerings and the interests of market participants and investors.

The fee increases the Exchange proposes are based on an industry-specific Producer Price Index (“PPI”), which is a tailored measure of inflation.⁶ As a general matter, the Producer Price Index is a family of indexes that measures the average change

⁶ See <https://fred.stlouisfed.org/series/PCU51825182#0>.

over time in selling prices received by domestic producers of goods and services. PPI measures price change from the perspective of the seller. This contrasts with other metrics, such as the Consumer Price Index (“CPI”), that measure price change from the purchaser’s perspective.⁷ About 10,000 PPIs for individual products and groups of products are tracked and released each month.⁸ PPIs are available for the output of nearly all industries in the goods-producing sectors of the U.S. economy—mining, manufacturing, agriculture, fishing, and forestry—as well as natural gas, electricity, and construction, among others. The PPI program covers approximately 69 percent of the service sector’s output, as measured by revenue reported in the 2017 Economic Census.

For purposes of this proposal, the relevant industry-specific PPI is the Data Processing and Related Services PPI (“Data PPI”), which is an industry net-output PPI that measures the average change in selling prices received by companies that provide data processing services.

The Data PPI was introduced in January 2002 by the Bureau of Labor Statistics (“BLS”) as part of an ongoing effort to expand Producer Price Index coverage of the services sector of the U.S. economy and is identified as NAICS - 518210 in the North American Industry Classification System.⁹ According to the BLS “[t]he primary output of NAICS 518210 is the provision of electronic data processing services. In the broadest sense, computer services companies help their customers efficiently use technology. The processing services market consists of vendors who use their own computer systems—often utilizing proprietary software— to process customers’ transactions and data.

⁷ See <https://www.bls.gov/ppi/overview.htm>.

⁸ See *Id.*

⁹ NAICS appears in table 5 of the PPI Detailed Report and is available at <https://data.bls.gov/timeseries/PCU518210518210>.

Companies that offer processing services collect, organize, and store a customer's transactions and other data for record-keeping purposes. Price movements for the NAICS 518210 index are based on changes in the revenue received by companies that provide data processing services. Each month, companies provide net transaction prices for a specified service. The transaction is an actual contract selected by probability, where the price-determining characteristics are held constant while the service is repriced. The prices used in index calculation are the actual prices billed for the selected service contract.”¹⁰

The Exchange believes the Data PPI is an appropriate measure to be considered in the context of the proposed rule change to modify the fee for its connectivity products because the Exchange uses its “own computer systems” and “proprietary software,” i.e., its own data center and proprietary matching engine software, respectively, to collect, organize, store and report customers' transactions in U.S. equity securities on the Exchange's proprietary trading platform. In other words, the Exchange is in the business of data processing and related services.

For purposes of this proposed rule change, the Exchange examined the Data PPI value for the period from January 2017 to August 2024. The Data PPI had a starting value of 105.6 in January 2017 and an ending value of 116.022 in August 2024, a 10.422% increase. This indicates that companies who are also in the data storage and processing business have generally increased prices for a specified service covered under NAICS 518210 by an average of 10.422% during this period. Based on that percentage change, the Exchange proposes to make a one-time fee increase of only 10%, which

¹⁰ See <https://www.bls.gov/ppi/factsheets/producer-price-index-for-the-data-processing-and-related-servicesindustry-naics-518210.htm>.

reflects an increase covering roughly the entire period since the last price adjustments to these fees were made.

The Exchange further believes the Data PPI is an appropriate measure for purposes of the proposed rule change on the basis that it is a stable metric with limited volatility, unlike other consumer-side inflation metrics. In fact, the Data PPI has not experienced a greater than 2.16% increase for any one calendar year period since Data PPI was introduced into the PPI in January 2002. The average calendar year change from January 2002 to December 2023 was .62%, with a cumulative increase of 15.67% over this 21-year period. The Exchange believes the Data PPI is considerably less volatile than other inflation metrics such as CPI, which has had individual calendar-year increases of more than 6.5%, and a cumulative increase of over 73% over the same period.¹¹

The Exchange believes the Data PPI, and significant investments into, and enhanced performance of, the Exchange support the reasonableness of the proposed fee increases.¹²

These proposed fee increases will be immediately effective upon filing. However, going forward and until December 1, 2024, the Exchange will waive all fees set forth herein to the extent that such fees exceed the levels that would have been charged for the same products and services purchased during that time period, had such fees been calculated at the rates set forth in SR-BX-2024-033 (i.e., pricing reflective of a

¹¹ See <https://www.usinflationcalculator.com/inflation/consumer-price-index-and-annual-percent-changesfrom-1913-to-2008/>.

¹² See *supra* discussion of connectivity product and facility improvements. Additionally, other exchanges have filed for increases in certain fees, based in part on comparisons to inflation. See, e.g., Securities Exchange Act Release Nos. 34-100004 (April 22, 2024), 89 FR 32465 (April 26, 2024) (SR-CboeBYX-2024-012); and 34-100398 (June 21, 2024), 89 FR 53676 (June 27, 2024) (SR-BOX-2024-16); Securities Exchange Act Release No. 34-100994 (September 10, 2024), 89 FR 75612 (September 16, 2024) (SR-NYSEARCA-2024-79).

5.5% increase from prior fee levels). This waiver is reasonable, equitable, and not unfairly discriminatory because it will afford all customers in excess of the 30-day prior notice period for fee changes set forth in the Exchange's service terms.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹³ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,¹⁴ 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.

This belief is based on two factors. First, the current fees do not properly reflect the quality of the services and products, as fees for the services and products in question have been static in nominal terms, and therefore falling in real terms due to inflation. Second, the Exchange believes that investments made in enhancing the capacity and speed of Exchange systems increase the performance of the services and products.

The Proposed Rule Change Is Reasonable

As noted above, the Exchange has not increased any of the fees included in the proposal since 2017 or earlier. However, in the years following the last fee increases, the Exchange has made significant investments in upgrades to its connectivity products, services, and facilities, enhancing the quality of its services. In other words, Exchange customers have greatly benefitted, while the Exchange's ability to recoup its investments has been hampered. Between 2017 and 2024, the inflation rate is 3.64% per year, on

¹³ 15 U.S.C. 78f(b).

¹⁴ 15 U.S.C. 78f(b)(4) and (5).

average, producing a cumulative inflation rate of 28.43%.¹⁵ Using the more targeted inflation number of Data PPI, the cumulative inflation rate was 10.422%. The exchange believes the Data PPI is a reasonable metric to base this fee increase on because it is targeted to producer-side increases in the data processing industry.

Notwithstanding inflation, as noted above, the Exchange has not increased its fees at all for over seven years for the subject services. The proposed fee changes represent a modest increase from the current fees. The Exchange believes the proposed fee increase is reasonable in light of the Exchange's continued expenditure in maintaining a robust technology ecosystem. Furthermore, the Exchange continues to invest in maintaining and enhancing its connectivity products – for the benefit and often at the behest of its customers and global investors. Such enhancements include refreshing all aspects of the technology ecosystem including software, hardware, and network while introducing new and innovative products and expanded and modernized facilities.¹⁶ The goal of the enhancements discussed above, among other things, is to provide faster, higher-capacity, and more modern connectivity products and services. Accordingly, the Exchange continues to expend resources to innovate and modernize technology so that it may benefit its members in offering its connectivity products and services.

The Proposed Fees Are Equitably Allocated and Not Unfairly Discriminatory

The Exchange believes that the proposed fee increases are equitably allocated and not unfairly discriminatory because they would apply to all market participants that choose to purchase connectivity products and services from the Exchange. Any

¹⁵ See <https://www.officialdata.org/us/inflation/2017?amount=1>.

¹⁶ See, e.g., Securities Exchange Act Release No.34-101073 (September 18, 2024), 89 FR 77926 (September 24, 2024) (SR-BX-2024-035 (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Expand [the Exchange's] Co-Location Services)).

participant that chooses to purchase the Exchange's connectivity products and services would be subject to the same Fee Schedule, regardless of what type of business they operate or the use they plan to make use of the products and services. Additionally, the fee increase would be applied uniformly to market participants without regard to Exchange membership status or the extent of any other business with the Exchange or affiliated entities. The Exchange also believes that the proposal represents an equitable allocation of reasonable dues, fees and other charges because Exchange fees have fallen in real terms during the relevant period. Finally, the Exchange believes that the proposed fee changes are not unfairly discriminatory because the fees would be assessed uniformly across all market participants, in the same manner they are today, that voluntarily purchase the Exchange's connectivity products and services, which would remain available for purchase by all market participants.

These proposed fee increases will be immediately effective upon filing. However, going forward and until December 1, 2024, the Exchange will waive all fees set forth herein to the extent that such fees exceed the levels that would have been charged for the same products and services purchased during that time period, had such fees been calculated at the rates set forth in SR-BX-2024-033 (i.e., pricing reflective of a 5.5% increase from prior fee levels). This waiver is reasonable, equitable, and not unfairly discriminatory because it will afford all customers in excess of the 30-day prior notice period for fee changes set forth in the Exchange's service terms.

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

The Exchange does not believe that the proposed fees will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Intramarket Competition

The Exchange believes that the proposed fees do not put any market participants at a relative disadvantage compared to other market participants. As noted above, the fee schedule would continue to apply to all purchasers of the Exchange's connectivity products and services in the same manner as it does today albeit at inflation-adjusted rates for certain fees, and customers may choose whether to purchase these products and services at all. The Exchange also believes that the level of the proposed fees neither favor nor penalize one or more categories of market participants in a manner that would impose an undue burden on competition. Likewise, the proposed fee waiver described above will apply to all purchasers of the Exchange's connectivity products and services in the same manner and therefore will not burden competition among them.

Intermarket Competition

The Exchange believes that the proposed fees do not impose a burden on competition or on other SROs that is not necessary or appropriate. In determining the proposed fees, the Exchange utilized an objective and stable metric with limited volatility. Utilizing Data PPI over a specified period of time is a reasonable means of recouping the Exchange's investment in maintaining and enhancing its connectivity products, services, and facilities. The Exchange believes utilizing Data PPI, a tailored measure of inflation, to increase certain fees for connectivity products and services to recoup the Exchange's investment in maintaining and enhancing such products, services, and its facilities would not impose a burden on competition.

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.¹⁷

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-BX-2024-049 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.

¹⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

All submissions should refer to file number SR-BX-2024-049. 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-BX-2024-049 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.¹⁸

Sherry R. Haywood,

Assistant Secretary.

¹⁸ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

NASDAQ BX, INC. RULES

* * * * *

General Equity and Options Rules

* * * * *

General 8 Connectivity

* * * * *

Section 1. Co-Location Services

The following charges are assessed for co-location services:¹

(a) Cabinets

Cabinet with Power

Description	Installation Fee	NY11-4 Installation Fee	Ongoing Monthly Fee
Super High Density Cabinet (>10kW - <=17.3kW)	[\$4,500] <u>4,950</u> ***	No change.	[\$8,000] <u>8,800</u> **
...			
High Density Cabinet (>7kW - <10kW)	[\$3,500] <u>3,850</u>	No change.	[\$4,500] <u>4,950</u> **
Medium-High Density Cabinet (>5kW - <=7kW)	[\$3,500] <u>3,850</u>	No change.	[\$3,500] <u>3,850</u> **
Medium Density Cabinet (>2.88kW - <=5kW)	[\$3,500] <u>3,850</u>	No change.	[\$2,500] <u>2,750</u> **
Low Density Cabinet (<=2.88kW)	[\$3,500] <u>3,850</u>	N/A	[\$2,000] <u>2,200</u> **
Half Cabinet*			[\$2,000] <u>2,200</u>

*Not available to new subscribers.
 **Discount of 15% of fee available to users of 25 or more full cabinets who commit to a 3 year term; Discount of 10% of fee available to users of 25 or more full cabinets who commit to a 2 year term.
 ***Includes larger cabinet (30" W x 48" D x 96" H). Standard installation fee of \$[3,500]3,850 would apply if smaller cabinet (24"W x 42"D x 84"H) is requested.
 Note: Cabinet power cap is based on the available power at 80% of the breakered capacity of all circuit pairs within a cabinet (where a primary/redundant circuit pair is considered a single circuit).

...

Shared Cabinet Space

Description	Installation Fee	Ongoing Monthly Fee
4U Block of Cabinet Space including up to 500W of power*	\$[150]165 per hour	\$[600]660

*No more than 2 4U Blocks. Access restricted to Exchange personnel.

Specialty Cabinet Charge

Description	Ongoing Monthly Fee
Additional Charge per Cabinet for cabinet > 24"W for each 6"W increment greater than 24"W - 2x the ongoing cabinet fee if the cabinet is >=48"W	\$[500]550 per 6" or 2x the Ongoing Cabinet fee

Multi-Firm Cabinet Charge

Description	Ongoing Monthly Fee
Additional Charge per Cabinet per firm for each cabinet that supports a firm other than the firm contracted to receive the cabinet by Nasdaq Technology Services	\$[500] <u>550</u>

(b) Connectivity**External Telco /Inter-Cabinet Connectivity**

Description	Installation Fee	Ongoing Monthly Fee
Category 6 Cable patch	\$[300] <u>330</u>	\$[350] <u>385*</u>
DS-3 Connection	\$[500] <u>550</u>	\$[350] <u>385*</u>
Fiber	\$[500] <u>550</u>	\$[350] <u>385*</u>
POTS Line	\$0	\$[50] <u>55</u>
One-Time Telco Connectivity Expedite Fee	\$[1,400] <u>1,540</u>	\$0
Inter-Cabinet Telco connection outside Nasdaq space		\$[1,000] <u>1,100</u>
100MB Connectivity - Metro NY/NJ Area Destination	\$[1,165] <u>1,281.50**</u>	\$[1,650] <u>1,815**</u>
1G Connectivity - Metro NY/NJ Area Destination	\$[2,150] <u>2,365**</u>	\$[2,150] <u>2,365**</u>
10G Connectivity - Metro NY/NJ Area Destination	\$[5,000] <u>5,500**</u>	\$[5,000] <u>5,500**</u>
100MB Connectivity - Toronto Area Destination	\$[4,850] <u>5,335**</u>	\$[4,100] <u>4,510**</u>

1G Connectivity - Toronto Area Destination	\$[7,700] <u>8,470</u> **	\$[9,850] <u>10,835</u> **
10G Connectivity - Toronto Area Destination	\$[14,200] <u>16,620</u> **	\$[28,400] <u>31,240</u> **
100MB Connectivity - Chicago Area Destination	\$[3,500] <u>3,850</u> **	\$[7,350] <u>8,085</u> **
1G Connectivity - Chicago Area Destination	\$[4,900] <u>5,390</u> **	\$[12,800] <u>14,080</u> **
10G Connectivity - Chicago Area Destination	\$[10,650] <u>11,715</u> **	\$[26,900] <u>29,590</u> **

* Requesting party only. Not applicable to inter-cabinet connections among the same customer.

** Includes fiber telco cross connect within Nasdaq data center.

Connectivity to the Exchange Description	Installation Fee	Ongoing Monthly Fee
Fiber Connection to the Exchange (10Gb)	\$[1,000] <u>1,100</u>	\$[10,000] <u>11,000</u>
Fiber Connection to the Exchange (10Gb Ultra)	\$[1,500] <u>1,650</u>	\$[15,000] <u>16,500</u>
Fiber Connection to the Exchange (40Gb)	\$[1,500] <u>1,650</u>	\$[20,000] <u>22,000</u>
Fiber Connection to the Exchange (1Gb Ultra)	\$[1,500] <u>1,650</u>	\$[2,500] <u>2,750</u>
Fiber Connection to the Exchange (1Gb)	\$[1,000] <u>1,100</u>	\$[2,500] <u>2,750</u>
1Gb Copper Connection to the Exchange	\$[1,000] <u>1,100</u>	\$[2,500] <u>2,750</u>

Connectivity to Third Party Services

Description	Installation Fee	Ongoing Monthly Fee
Third Party Services Fiber Connection (10Gb Ultra)	\$[1,500] <u>1,650*</u>	\$[5,000] <u>5,500*</u>
Third Party Services Fiber Connection (1Gb Ultra)	\$[1,500] <u>1,650*</u>	\$[2,000] <u>2,200*</u>
Third Party Services Fiber Connection (1Gb Ultra or 10Gb Ultra for UTP only)	\$[100] <u>110*</u>	\$[100] <u>110*</u>

* Waived for two connections per client to UTP SIP feeds only (UQDF and UTDF).

Market Data Connectivity*

The following Market Data feeds are delivered to the Nasdaq Data Center via a fiber optic network:

Description	Installation Fee	Ongoing Monthly Fee
Nasdaq	\$[1,000] <u>1,100</u>	\$0
SIAC	\$[1,000] <u>1,100</u>	
CTS/CQS		\$[1,412] <u>1,553.20</u>
OpenBook Realtime		\$[2,500] <u>2,750</u>
OpenBook Ultra		\$[2,500] <u>2,750</u>
NYSE Alerts		\$[200] <u>220</u>

NYSE Trades		\$[100]110
Arca Trades		\$[100]110
ArcaBook Multicast		\$[1,500]1,650
Arca BBO		\$[125]137.50
AMEX- Ultra/Trades/Alerts/LRP		\$[100]110
OPRA		\$[6,000]6,600
CME	\$[1,000]1,100	\$[3,500]3,850
Access Fee per location device/user		\$[65]71.50
CBOE	\$[1,000]1,100	
BZX Depth		\$[4,000]4,400
BYX Depth		\$[1,500]1,650
EDGA Depth		\$[2,500]2,750
EDGX Depth		\$[2,500]2,750
TSX/TSXV	\$[1,000]1,100	
TSX and TSXV Level 1 Feed		\$[300]330
TSX and TSVX Level 2 Feed		\$[1,000]1,100
TSX Quantum Level 1 Feed		\$[100]110
TSX Quantum Level 2 Feed		\$[300]330

*Pricing is for connectivity only and is similar to connectivity fees imposed by other vendors. The fees are generally based on the amount of bandwidth needed to accommodate a particular feed and the Exchange is not the exclusive method to get market data connectivity. Market data fees are charged independently by the Exchange and other exchanges.

The following multicast Market Data feeds are delivered to the Nasdaq Data Center via a wireless network (microwave or millimeter wave):

Description	Installation Fee	Recurring Monthly Fee*
NYSE Equities (Arca Integrated)	\$(5,000) <u>5,500</u>	\$(10,000) <u>11,000</u>
NYSE Equities (NYSE Integrated)	\$(5,000) <u>5,500</u>	\$(10,000) <u>11,000</u>
BATS Multicast PITCH (BZX and BYX)	\$(2,500) <u>2,750</u>	\$(7,500) <u>8,250</u>
Direct EDGE Depth of Book (EDGA, EDGX)	\$(2,500) <u>2,750</u>	\$(7,500) <u>8,250</u>
CME Multicast Total	\$(5,000) <u>5,500</u>	\$(23,500) <u>25,850</u>
CME Equities Futures Data Only		\$(10,000) <u>11,000</u>
CME Fixed Income Futures Data Only		\$(10,000) <u>11,000</u>
CME Metals Futures Data Only		\$(3,500) <u>3,850</u>

*Subscribers with three to five microwave or millimeter wave wireless subscriptions under General 8, Section 1(b) (and/or any other provision of these Rules that provides for such subscriptions, as may exist, from time to time) receive a 5% discount on all such subscriptions; subscribers with six to ten microwave or millimeter wave wireless subscriptions under the Rules receive a 10% discount on all such subscriptions; subscribers with eleven to fourteen microwave or millimeter wave wireless subscriptions under the Rules receive a 15% discount on all such subscriptions; and subscribers with fifteen or more microwave or millimeter wave wireless subscriptions under the Rules receive a 20% discount on all such subscriptions.

(c) Power

Cabinet Power

Description	Installation Fee	Ongoing Monthly Fee
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2x20 amp 110 volt	\$[2,000] <u>2,200</u>	\$0
2x30 amp 110 volt	\$[2,000] <u>2,200</u>	\$0
2x20 amp 208 volt	\$[2,000] <u>2,200</u>	\$0
2x30 amp 208 volt	\$[2,000] <u>2,200</u>	\$0
Phase 3 2x 20 amp 208 volt	\$[3,000] <u>3,300</u>	\$0
Phase 3 2x 30 amp 208 volt	\$[3,000] <u>3,300</u>	\$0
2 x 60 amp 208 volt	\$[3,000] <u>3,300</u>	\$0
Phase 3 2x 40 amp 208 volt	\$[3,000] <u>3,300</u>	\$0
Phase 3 2x 50 amp 208 volt	\$[3,000] <u>3,300</u>	\$0
Phase 3 2x 60 amp 208 volt	\$[3,000] <u>3,300</u>	\$0
2x30 amp 48 volt DC	\$[3,000] <u>3,300</u>	\$0
...		

(d) Additional Charges/Services

Additional Items

Description	Installation Fee	Ongoing Monthly Fee
Cooling (Door) Fans	\$[1,500] <u>1,650</u>	\$0
Perforated Floor Tiles	\$[250] <u>275</u>	\$0
Cabinet Extension	\$[500] <u>550</u>	\$0
Super High Density Cabinet Kit	\$[4,500] <u>4,950</u>	\$0
Additional Cabinet Shelves	\$[200] <u>220</u>	\$0
Single Master Key Locks	\$[175] <u>192.50</u>	\$0
Cable Downspouts	\$[750] <u>825</u>	\$0

Cabinet Caging	Installation Specific	\$[3,000] <u>3,300</u>
Custom Installation	Installation Specific	\$0
Cabinet Equipment Storage	\$0	\$[500] <u>550</u>
Copper Patch Cords	\$[4.50] <u>4.95</u> +\$[0.50] <u>0.55</u> per foot	\$0
Fiber Patch Cords - Multi-mode	\$[20] <u>22</u> + \$[1.50] <u>1.65</u> per meter	\$0
Fiber Patch Cords - Single-mode	\$[24] <u>26.40</u> +\$[0.75] <u>0.825</u> per meter	\$0
Twinax Patch Cords	\$[34] <u>37.40</u> +\$[10] <u>11.00</u> per meter	\$0
Power Cords - 5-15P to C13 - 2 to 4 feet	\$[5] <u>5.50</u>	\$0
Power Cords - C14 to C19 - 2 to 4 feet	\$[10] <u>11</u>	\$0
...		
Equipment Storage	\$0	\$[100] <u>110</u>
Internet Bandwidth - 1Mb	\$0	\$[300] <u>330</u>
Internet Bandwidth - 2Mb	\$0	\$[500] <u>550</u>
Internet Bandwidth - 3Mb	\$0	\$[700] <u>770</u>
Internet Bandwidth - 4Mb	\$0	\$[900] <u>990</u>
Internet Bandwidth - 5Mb	\$0	\$[1,100] <u>1,210</u>
GPS Antenna - Shared	\$900	\$600
GPS Antenna - Dedicated	\$1,500	\$600
Cabinet Proximity Option Fee	\$0	\$[1,000] <u>1,100</u> per medium or low density cabinet, or

\$[1,500]1,650 per
medium/high or high
density cabinet
or
\$3,000 per cabinet
with power density
>10kW

Services

Description	Rate
Power Consulting Service (billed in hourly increments)	\$[250] <u>275</u> /hr plus materials if necessary
Remote Hands Service	\$[150] <u>165</u> /hr

**NY11-4 only.*

¹Co-location services provided by Nasdaq Technology Services LLC.]

Section 2. Direct Connectivity

Direct Connectivity services are provided by Nasdaq Technology Services, LLC.

(a) Direct Circuit Connection to the Exchange

Description	Installation Fee	Ongoing Monthly Fee
Direct Circuit Connection to the Exchange (10Gb)	\$[1,500] <u>1,650</u>	\$[7,500] <u>8,250</u>
Direct Circuit Connection to the Exchange (supports up to 1Gb)	\$[1,500] <u>1,650</u>	\$[2,500] <u>2,750</u>
Direct Circuit Connection to the Exchange (1Gb Ultra)	\$[1,500] <u>1,650</u>	\$[2,500] <u>2,750</u>
Optional Cable Router	\$[925] <u>1017.50</u>	
Per U of Cabinet Space*		\$[150] <u>165</u>

*Fees are based on a height unit of approximately 1.75 inches high, commonly called a "U" space and a maximum power of 125 Watts per U space.

(b) Direct Circuit Connection to Third Party Services

Description	Installation Fee	Ongoing Monthly Fee
Third Party Services Direct Connection (10Gb Ultra)	[\$1,500] <u>1,650*</u>	[\$5,000] <u>5,500*</u>
Third Party Services Direct Connection (1Gb Ultra)	[\$1,500] <u>1,650*</u>	[\$2,000] <u>2,200*</u>
Third Party Services Direct Connection (1Gb Ultra or 10Gb Ultra for UTP only)	[\$100] <u>110*</u>	[\$100] <u>110*</u>
Optional Cable Router	[\$925] <u>1017.50</u>	
Per U of Cabinet Space**		[\$150] <u>165</u>

*Waived for two connections per client to UTP SIP feeds only (UQDF and UTDF).

**Fees are based on a height unit of approximately 1.75 inches high, commonly called a "U" space and a maximum power of 125 Watts per U space.

(c) Point of Presence (POP) Connectivity

Description	Installation Fee	Ongoing Monthly Fee
POP Connection to the Exchange (10Gb)	[\$1,500] <u>1,650</u>	[\$7,500] <u>8,250</u>
POP Connection to the Exchange (1Gb Ultra)	[\$1,500] <u>1,650</u>	[\$2,500] <u>2,750</u>

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Equity Rules

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Equity 7 Pricing Schedule

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Section 115. Ports and other Services.

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- Remote Multicast ITCH Wave Ports:

Mahwah, NJ: \$[5,000]5,500 for installation and then \$[7,500]8,250 per month;

All others: \$[2,500]2,750 for installation and then \$[5,000]5,500 per month.

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Section 130. Other Services

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(d) Testing Facilities

The Exchange operates two test environments. One is located in Ashburn, Virginia and the other in Carteret, New Jersey. Unless otherwise noted, reference to the "Testing Facility" applies to both environments.

(1) No change.

(2) Subscribers to the Testing Facility located in Carteret, New Jersey shall pay a fee of \$[1,000]1,100 per hand-off, per month for connection to the Testing Facility. The handoff fee includes either a 1Gb or 10Gb switch port and a cross connect to the Testing Facility. Subscribers shall also pay a one-time installation fee of \$[1,000]1,100 per hand-off.

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