

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="20"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2013"/> - * <input type="text" value="005"/>	Amendment No. (req. for Amendments *) <input type="text"/>
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Filing by NASDAQ Stock Market
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"/>
Pilot <input type="checkbox"/>			Rule		
Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) <input type="checkbox"/>	Section 3C(b)(2) <input type="checkbox"/>
Section 806(e)(2) <input type="checkbox"/>	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description

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

A proposed rule change to establish the Latency Optics add-on service to QView offered at no cost to subscribing members

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 * <input type="text" value="Sean"/>	Last Name * <input type="text" value="Bennett"/>
Title * <input type="text" value="Associate General Counsel"/>	
E-mail * <input type="text" value="sean.bennett@nasdaqomx.com"/>	
Telephone * <input type="text" value="(301) 978-8499"/>	Fax <input type="text" value="(301) 978-8472"/>

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date <input type="text" value="01/04/2013"/>	Executive Vice President and General Counsel
By <input type="text" value="Edward S. Knight"/>	<input type="text"/>
(Name *)	

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

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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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 *

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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 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance 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, security-based swap submission, or advance notice 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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Exhibit Sent As Paper Document

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 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

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 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

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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 Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² The NASDAQ Stock Market LLC (“NASDAQ” or “Exchange”), is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to establish the Latency Optics add-on service to QView offered at no cost to subscribing members beginning February 4, 2013, and for a monthly fee beginning April 1, 2013.

The text of the proposed rule change is below. Proposed new language is underlined.

7058. QView

(a) QView is a web-based tool designed to give a subscribing member the ability to track its order flow on Nasdaq, and create both real-time and historical reports of such order flow. Members may subscribe to QView for a fee of \$600 per month, per member firm.

(b) A QView subscriber may subscribe to the Latency Optics add-on service. Latency Optics is a web-based tool accessed through QView that provides a subscribing member the ability to monitor the latency of its order messages through its OUCH ports on the Nasdaq system in real-time, analyze the latency of messages sent to the Nasdaq system, and compare its latency to the average latency on the Nasdaq system at any given time. In addition users can view latency detail for order to book (i.e., how quickly an order is visible on the ITCH feed).

A member may subscribe to the Latency Optics add-on at no cost beginning February 4, 2013, and for a fee of \$2,900 per month/per member beginning April 1, 2013. A Latency Optics subscription includes subscription to TradeInfo for up to 5 users at no additional cost beginning April 1, 2013.

* * * * *

(b) Not applicable.

(c) Not applicable.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 of the Exchange on July 10, 2012. Exchange staff will advise the Board of Directors of the Exchange of any action taken pursuant to delegated authority. No other action by the Exchange is necessary for the filing of the rule change. The Exchange is proposing to offer the new service on February 4, 2013, and begin assessing the proposed monthly fee beginning April 1, 2013.

Questions regarding this rule filing may be directed to T. Sean Bennett, Associate General Counsel, The NASDAQ OMX Group, Inc. at (301) 978-8499 (telephone) or (301) 978-8472 (fax).

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

a. Purpose

The Exchange is proposing to adopt a new add on service to QView that provides a subscribing member firm with real-time order latency and analytical tools to measure the historical latency of the member firm's order messages sent to and from the NASDAQ Market Center ("System") through the member firm's OUCH ports³ and received on ITCH ports. Latency Optics, which is accessed through QView,⁴ allows a

³ A port is a means by which a member firm may connect to the System. Ports are designated by the connection protocol used (e.g., OUCH, FIX, RASH).

⁴ QView is a web-based, front-end application that allows a subscribing member firm to track all of its trading activity on the Exchange through detailed order and execution summaries. In addition, QView provides a subscribing member firm with statistics concerning the total number of executions, total volume, dollar value of executions, executions by symbol, add versus remove, buy versus sell, display versus non-display, number of open orders, use of routing strategies and liquidity code designation.

subscribing member firm to view the latency of its orders, segregated by MPID and/or ports. The tool measures: (1) the roundtrip time that it takes from when an order enters the NASDAQ network to the time the acknowledgement is received back to the client edge; (2) the roundtrip time that it takes from when an order enters the NASDAQ network to the time that the order appears on the TotalView ITCH multicast feed; and (3) the roundtrip time that it takes from when an order cancel request enters the NASDAQ network to when the out message is received back to the client edge. The data provided by Latency Optics is displayed graphically and in table format, showing the latency experienced by the subscribing member firm for each of the three categories of latency for the current trading day, segregated by the firm's MPIDs and/or ports. The subscribing member firm may select an individual port to drill down to more detailed latency information concerning that port for the current trading day, including trade-by-trade latency data. The subscribing member firm may further drill down to more detailed information on one of the three individual latency categories for the individual port.

Latency Optics allows a subscribing member firm to set an alert when a certain latency threshold is reached in any of the three categories of latency measured. The thresholds for the alerts are determined by the subscribing member firm and are individually set by port, and the firm may elect to have the alert notifications provided hourly or at the end of the trading day.

The Exchange is proposing to offer the Latency Optics at no cost, other than subscription to QView and at least one subscription to TradeInfo,⁵ on February 4, 2013.

⁵ TradeInfo allows a subscribing member firm to perform actions on their orders, such as querying all orders in a particular security or all orders of a particular type, regardless of their status (open, canceled, executed, etc.). For example, after

As noted, Latency Optics is an add-on service to QView, and as such a member firm must also subscribe to QView to access Latency Optics. In addition, a member firm that subscribes to QView, and by extension Latency Optics, must also have at least one TradeInfo subscription. TradeInfo allows a subscribing member firm to query for their orders submitted to the System and perform certain actions concerning the queried orders, such as canceling open orders. TradeInfo is the means by which a member firm accesses QView and Latency Optics. TradeInfo is offered complimentary as part of the NASDAQ Workstation or separately for a fee of \$95 per user, per month. Each TradeInfo user account provides an access point to QView and Latency Optics, therefore a member firm that subscribes to multiple TradeInfo accounts may access both QView and Latency Optics through each of its TradeInfo user accounts concurrently. The Exchange is proposing to assess the monthly fee of \$2,900 per member firm for Latency Optics, beginning on April 1, 2013, and which will include up to 5 monthly subscriptions to TradeInfo. Any TradeInfo subscriptions held by a Latency Optics subscriber in excess of 5 will continue to be assessed the normal monthly subscription fee after April 1, 2013.

b. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,⁶ in general, and Section 6(b)(4) of the Act,⁷ in particular, because it provides for the equitable allocation of reasonable dues, fees and

querying for open orders the user is then able to select that open order and is allowed to make corrections to the order or cancel the order. See Rule 7015(f); see also Securities Exchange Act Release No. 55135 (January 19, 2007), 72 FR 3893 (January 26, 2007)(SR-NASDAQ-2006-062).

⁶ 15 U.S.C. 78f.

⁷ 15 U.S.C. 78f(b)(4).

other charges among members and issuers and other persons using any facility or system that NASDAQ operates or controls. The Latency Optics add-on service is voluntary and the subscription fee will be imposed on all purchasers equally. NASDAQ notes that Latency Optics is only available for a member firm's OUCH ports at this time. NASDAQ believes that it is equitable and not unfairly discriminatory to limit the add-on service to OUCH ports because the measure of latency monitored by the service is of greatest value to users of OUCH ports. OUCH is a NASDAQ proprietary protocol that is used by member firms to access the System as efficiently as possible.⁸ For such OUCH port users, latency as measured by the Latency Optics service may be important in making investment decisions. Should a member firm wish to access the information provided by a Latency Optics subscription, it may subscribe to and trade via an OUCH port at any time, thus enabling it to subscribe to Latency Optics. NASDAQ may offer Latency Optics for other types of ports should there be member firm interest in expanding the add-on service to cover these ports. The proposed fee will be allocated to cover the costs associated with establishing the service, responding to customer requests, configuring NASDAQ systems, programming to user specifications, and administering the service, among other things, and may provide NASDAQ with a profit to the extent costs are covered.

The Exchange determined that the proposed fee is reasonable based on member firm interest in the service, costs associated with developing and supporting the service, and the value that the Latency Optics service provides to subscribing member firms. The

⁸ The OUCH protocol, unlike the FIX protocol for example, does not provide routing or special order instructions such as directed orders, or order types that check the NASDAQ book first and then route away to other destinations.

information provided by the Latency Optics service relates to the subscribing member firm's order message activity through its OUCH ports, and is a measure of the speed at which such message activity is passing through in any given time. This information is valuable to member firms that rely on high connectivity speed to effectuate their trading strategies.

The Exchange believes the proposed rule change is consistent with Section 6(b)(5) of the Act,⁹ which requires that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors and the public interest; and are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange believes the proposed rule change is consistent with these requirements because the proposed service provides a subscribing member firm with a useful analytical tool with which it may measure latency of order messages sent to, and received from, the System. With this information, a subscribing member firm will know what latency it is experiencing for a given order or execution on NASDAQ, and make more informed decisions based on this knowledge. Accordingly, the Exchange believes that the proposed service will further goals of the Act by providing a subscribing member firm with greater transparency with respect to latency it is experiencing in real-time through its connectivity to the System.

⁹ 15 U.S.C. 78f(b)(5).

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. To the contrary, the Exchange believes that the proposed rule change will promote competition among Exchanges by encouraging them to provide their members with useful metrics concerning the latency experienced by their order messages, similar to Latency Optics. Such services would provide market participants with greater insight into the performance they receive from a particular market thus allowing them to make more informed investment decisions. As such, the Exchange believes that only competitor markets will be burdened by the proposed new service, as they may be forced to develop and offer a similar service to their members to remain competitive. The Exchange believes that this is appropriate in furtherance of the purposes of the Act because, by offering such services to its members, these competitor markets will allow a greater number of market participants to make more informed investment decisions.

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

Written comments were neither solicited nor 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) of the Act¹⁰ and Rule 19b-4(f)(6)¹¹ thereunder in that it effects a change that: (i) does not

¹⁰ 15 U.S.C. 78s(b)(3)(A).

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.

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

Not applicable.

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

Not applicable.

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

Not applicable.

11. Exhibits

1. Completed notice of proposed rule change for publication in the Federal Register.

¹¹ 17 CFR 240.19b-4(f)(6).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-NASDAQ-2013-005)

January __, 2013

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Establish the Latency Optics add-on Service to QView

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 January 4, 2013, The NASDAQ Stock Market LLC (“NASDAQ” or “Exchange”), filed with the Securities and Exchange Commission (“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 the Substance of the Proposed Rule Change

The Exchange proposes to establish the Latency Optics add-on service to QView offered at no cost to subscribing members beginning February 4, 2013, and for a monthly fee beginning April 1, 2013.

The text of the proposed rule change is below. Proposed new language is underlined.

7058. QView

(a) QView is a web-based tool designed to give a subscribing member the ability to track its order flow on Nasdaq, and create both real-time and historical reports of such order flow. Members may subscribe to QView for a fee of \$600 per month, per member firm.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

(b) A QView subscriber may subscribe to the Latency Optics add-on service. Latency Optics is a web-based tool accessed through QView that provides a subscribing member the ability to monitor the latency of its order messages through its OUCH ports on the Nasdaq system in real-time, analyze the latency of messages sent to the Nasdaq system, and compare its latency to the average latency on the Nasdaq system at any given time. In addition users can view latency detail for order to book (i.e., how quickly an order is visible on the ITCH feed).

A member may subscribe to the Latency Optics add-on at no cost beginning February 4, 2013, and for a fee of \$2,900 per month/per member beginning April 1, 2013. A Latency Optics subscription includes subscription to TradeInfo for up to 5 users at no additional cost beginning April 1, 2013.

* * * * *

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 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 Exchange is proposing to adopt a new add on service to QView that provides a subscribing member firm with real-time order latency and analytical tools to measure the historical latency of the member firm's order messages sent to and from the NASDAQ Market Center ("System") through the member firm's OUCH ports³ and

³ A port is a means by which a member firm may connect to the System. Ports are designated by the connection protocol used (e.g., OUCH, FIX, RASH).

received on ITCH ports. Latency Optics, which is accessed through QView,⁴ allows a subscribing member firm to view the latency of its orders, segregated by MPID and/or ports. The tool measures: (1) the roundtrip time that it takes from when an order enters the NASDAQ network to the time the acknowledgement is received back to the client edge; (2) the roundtrip time that it takes from when an order enters the NASDAQ network to the time that the order appears on the TotalView ITCH multicast feed; and (3) the roundtrip time that it takes from when an order cancel request enters the NASDAQ network to when the out message is received back to the client edge. The data provided by Latency Optics is displayed graphically and in table format, showing the latency experienced by the subscribing member firm for each of the three categories of latency for the current trading day, segregated by the firm's MPIDs and/or ports. The subscribing member firm may select an individual port to drill down to more detailed latency information concerning that port for the current trading day, including trade-by-trade latency data. The subscribing member firm may further drill down to more detailed information on one of the three individual latency categories for the individual port.

Latency Optics allows a subscribing member firm to set an alert when a certain latency threshold is reached in any of the three categories of latency measured. The thresholds for the alerts are determined by the subscribing member firm and are

⁴ QView is a web-based, front-end application that allows a subscribing member firm to track all of its trading activity on the Exchange through detailed order and execution summaries. In addition, QView provides a subscribing member firm with statistics concerning the total number of executions, total volume, dollar value of executions, executions by symbol, add versus remove, buy versus sell, display versus non-display, number of open orders, use of routing strategies and liquidity code designation.

individually set by port, and the firm may elect to have the alert notifications provided hourly or at the end of the trading day.

The Exchange is proposing to offer the Latency Optics at no cost, other than subscription to QView and at least one subscription to TradeInfo,⁵ on February 4, 2013. As noted, Latency Optics is an add-on service to QView, and as such a member firm must also subscribe to QView to access Latency Optics. In addition, a member firm that subscribes to QView, and by extension Latency Optics, must also have at least one TradeInfo subscription. TradeInfo allows a subscribing member firm to query for their orders submitted to the System and perform certain actions concerning the queried orders, such as canceling open orders. TradeInfo is the means by which a member firm accesses QView and Latency Optics. TradeInfo is offered complimentary as part of the NASDAQ Workstation or separately for a fee of \$95 per user, per month. Each TradeInfo user account provides an access point to QView and Latency Optics, therefore a member firm that subscribes to multiple TradeInfo accounts may access both QView and Latency Optics through each of its TradeInfo user accounts concurrently. The Exchange is proposing to assess the monthly fee of \$2,900 per member firm for Latency Optics, beginning on April 1, 2013, and which will include up to 5 monthly subscriptions to TradeInfo. Any TradeInfo subscriptions held by a Latency Optics subscriber in excess of 5 will continue to be assessed the normal monthly subscription fee after April 1, 2013.

⁵ TradeInfo allows a subscribing member firm to perform actions on their orders, such as querying all orders in a particular security or all orders of a particular type, regardless of their status (open, canceled, executed, etc.). For example, after querying for open orders the user is then able to select that open order and is allowed to make corrections to the order or cancel the order. See Rule 7015(f); see also Securities Exchange Act Release No. 55135 (January 19, 2007), 72 FR 3893 (January 26, 2007)(SR-NASDAQ-2006-062).

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,⁶ in general, and Section 6(b)(4) of the Act,⁷ in particular, because it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system that NASDAQ operates or controls. The Latency Optics add-on service is voluntary and the subscription fee will be imposed on all purchasers equally. NASDAQ notes that Latency Optics is only available for a member firm's OUCH ports at this time. NASDAQ believes that it is equitable and not unfairly discriminatory to limit the add-on service to OUCH ports because the measure of latency monitored by the service is of greatest value to users of OUCH ports. OUCH is a NASDAQ proprietary protocol that is used by member firms to access the System as efficiently as possible.⁸ For such OUCH port users, latency as measured by the Latency Optics service may be important in making investment decisions. Should a member firm wish to access the information provided by a Latency Optics subscription, it may subscribe to and trade via an OUCH port at any time, thus enabling it to subscribe to Latency Optics. NASDAQ may offer Latency Optics for other types of ports should there be member firm interest in expanding the add-on service to cover these ports. The proposed fee will be allocated to cover the costs associated with establishing the service, responding to customer requests,

⁶ 15 U.S.C. 78f.

⁷ 15 U.S.C. 78f(b)(4).

⁸ The OUCH protocol, unlike the FIX protocol for example, does not provide routing or special order instructions such as directed orders, or order types that check the NASDAQ book first and then route away to other destinations.

configuring NASDAQ systems, programming to user specifications, and administering the service, among other things, and may provide NASDAQ with a profit to the extent costs are covered.

The Exchange determined that the proposed fee is reasonable based on member firm interest in the service, costs associated with developing and supporting the service, and the value that the Latency Optics service provides to subscribing member firms. The information provided by the Latency Optics service relates to the subscribing member firm's order message activity through its OUCH ports, and is a measure of the speed at which such message activity is passing through in any given time. This information is valuable to member firms that rely on high connectivity speed to effectuate their trading strategies.

The Exchange believes the proposed rule change is consistent with Section 6(b)(5) of the Act,⁹ which requires that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors and the public interest; and are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange believes the proposed rule change is consistent with these requirements because the proposed service provides a subscribing member firm with a useful analytical tool with which it may measure latency of order messages sent to, and

⁹ 15 U.S.C. 78f(b)(5).

received from, the System. With this information, a subscribing member firm will know what latency it is experiencing for a given order or execution on NASDAQ, and make more informed decisions based on this knowledge. Accordingly, the Exchange believes that the proposed service will further goals of the Act by providing a subscribing member firm with greater transparency with respect to latency it is experiencing in real-time through its connectivity to the System.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. To the contrary, the Exchange believes that the proposed rule change will promote competition among Exchanges by encouraging them to provide their members with useful metrics concerning the latency experienced by their order messages, similar to Latency Optics. Such services would provide market participants with greater insight into the performance they receive from a particular market thus allowing them to make more informed investment decisions. As such, the Exchange believes that only competitor markets will be burdened by the proposed new service, as they may be forced to develop and offer a similar service to their members to remain competitive. The Exchange believes that this is appropriate in furtherance of the purposes of the Act because, by offering such services to its members, these competitor markets will allow a greater number of market participants to make more informed investment decisions.

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

Written comments were neither solicited nor 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)(ii) of the Act¹⁰ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹¹

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. The Exchange has provided the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change.

IV. Solicitation of Comments

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

¹⁰ 15 U.S.C. 78s(b)(3)(a)(ii).

¹¹ 17 CFR 240.19b-4(f)(6).

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-NASDAQ-2013-005 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-NASDAQ-2013-005. 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 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal offices 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-NASDAQ-2013-005, 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.¹²

Kevin M. O'Neill
Deputy Secretary

¹² 17 CFR 200.30-3(a)(12).