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

File No.* SR - 2013 - * 105
Amendment No. (req. for Amendments *)

Filing by NASDAQ Stock Market

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

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

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

Rule

☐ 19b-4(f)(1)	☐ 19b-4(f)(4)
☑ 19b-4(f)(2)	☐ 19b-4(f)(5)
☐ 19b-4(f)(3)	☐ 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) ☐ Section 806(e)(2) ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) ☐

Exhibit 2 Sent As Paper Document ☐ Exhibit 3 Sent As Paper Document ☐

Description

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

A proposed rule change to eliminate the Exchange's Routable Order Program

Contact Information

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

First Name * John Last Name * Yetter
Title * Vice President
E-mail * john.yetter@nasdaqomx.com
Telephone * (301) 978-8497 Fax (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.

Date 08/05/2013
By Edward S. Knight
(Name *)

(Title *)
Executive Vice President and General Counsel

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.

Edward S Knight,

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information * Add Remove View	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	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 Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO] -xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, 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 Add Remove View 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 Add Remove View 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 Add Remove View	The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.
Exhibit 5 - Proposed Rule Text Add Remove View	The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.
Partial Amendment Add Remove View	If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) under 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 eliminate the Exchange's Routable Order Program ("ROP").

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1 and 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 NASDAQ pursuant to authority delegated by the Board of Directors of NASDAQ on July 17, 2013. NASDAQ staff will advise the Board of Directors of NASDAQ of any action taken pursuant to delegated authority. No other action by NASDAQ is necessary for the filing of the rule change. NASDAQ proposes to implement the proposed rule change on August 5, 2013.

Questions regarding this rule filing may be directed to John M. Yetter, Vice President and Deputy General Counsel, NASDAQ OMX, at (301) 978-8497, or T. Sean Bennett, Associate General Counsel, NASDAQ OMX, at (301) 978-8499.

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

[2] 17 CFR 240.19b-4.

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

a. Purpose

In February 2013, NASDAQ introduced the Routable Order Program in an effort to encourage greater participation by members representing retail customers in NASDAQ.[3] The program was premised on the propensity of members representing retail customers to make more extensive use of exchange-provided routing facilities and pre- and post-market trading sessions, as compared with proprietary traders.

To be eligible for the Routable Order Program, a member was required to have a market participant identifier ("MPID") through which it provides an average daily volume of at least 35 million shares of displayed liquidity using orders that employ the SCAN or LIST routing strategies, including an average daily volume of at least 2 million shares that are provided prior to the NASDAQ Opening Cross and/or after the NASDAQ Closing Cross.[4] During recent months, no members have qualified for the program.

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3 Securities Exchange Act Release No. 68905 (February 12, 2013), 78 FR 11716 (February 29, 2013) (SR-NASDAQ-2013-023).

4 SCAN is a basic routing strategy that is widely used by firms that represent retail customers. SCAN orders check the Nasdaq Market Center System for available shares, while remaining shares are simultaneously routed to destinations on the applicable routing table. If shares remain un-executed after routing, they are posted on the book. Once on the book, if the order is subsequently locked or crossed by another market center, the System will not route the order to the locking or crossing market center. LIST is a routing strategy that is used by firms that wish for their orders to participate in the opening and closing processes of each security's primary listing exchange, to access liquidity on all exchanges if marketable, and otherwise to post to the NASDAQ book. Members, including those that represent retail customers, use the LIST strategy to offload on the Exchange and its routing broker the technical complexity associated with routing orders to participate in the market open and/or close.

With respect to SCAN and LIST orders in securities priced at $1 or more per share entered through an MPID that qualified for the ROP, NASDAQ charged a fee of $0.0029 per share executed with respect to such orders when accessing liquidity in the Nasdaq Market Center.[5] If such orders were designated for display in the Nasdaq Market Center and provided liquidity after posting to the book, NASDAQ provided a credit of $0.0037 per share executed. With respect to SCAN and LIST orders in securities priced less than $1 per share entered through an MPID that qualified for the ROP, NASDAQ charged a fee of 0.30% of the total transaction cost with respect to such orders when accessing liquidity in the Nasdaq Market Center,[6] and provided a credit of $0.00003 per share executed if they were designated for display and provided liquidity after posting to the book. These fees and credits would be in lieu of the fees and credits otherwise charged or provided under Rule 7018. Moreover, orders that qualified for these fees and credits were not eligible to receive additional credits under NASDAQ's Investor Support Program (the "ISP"),[7] but were included in calculations with regard to eligibility to participate in the ISP and other incentive programs under Rule 7014.

The program has not been successful in achieving its goal of encouraging members with retail order flow to increase their participation in NASDAQ. Accordingly, NASDAQ has decided to terminate the program, such that a member that might qualify

5 When such orders executed at other market centers, the routing fees provided for in Rule 7018 would apply.

6 When such orders executed at other market centers, the routing fees provided for in Rule 7018 would apply.

7 Rule 7014(a)-(c).

for the program in the future would receive credits and pay fees otherwise applicable under Rule 7018 and 7014.[8]

b. Statutory Basis

NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,[9] in general, and with Sections 6(b)(4) and 6(b)(5) of the Act,[10] 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 or system which NASDAQ operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

NASDAQ believes that the proposed elimination of the ROP is consistent with the requirements of the Act. Specifically, although the goal of the program was to provide meaningful incentives for members that represent significant numbers of retail customers to increase their participation in NASDAQ, the program has not had that effect; accordingly, elimination of the program is reasonable because it will not result in a change to the fees and rebates applicable to members in August 2013, based on their level of participation in recent months. In addition, the change is reasonable because the fees and rebates applicable in the absence of the program are the fees and rebates that are otherwise in effect for members not qualifying for the program under Rules 7014 and

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8 Because this proposed rule change is effective as of August 5, 2013, ROP pricing would apply on August 1-2, 2013 to any member that qualifies for the ROP during August 2013.

In addition to deleting the relevant paragraphs from Rule 7014, NASDAQ is also making conforming changes to the rest of that rule.

9 15 U.S.C. 78f.

10 15 U.S.C. 78f(b)(4) and (5).

7018, all of which have been established and described in prior proposed rule changes. In addition, another pricing incentive program aimed at members representing retail customers, the ISP, remains in effect. The change is consistent with an equitable allocation of fees and is not unfairly discriminatory because although NASDAQ believes that it is equitable to use fee reductions as a means to encourage greater retail participation in NASDAQ, such reductions are not required under the Act, and the change will eliminate a provision that could result in a very high rebate being paid to only certain members. Moreover, since the program has not applied to any members in recent months, its elimination will not have a direct effect on the allocation of fees. Similarly, its elimination is not discriminatory because it will have no direct effect on members based on their current levels of participation. Finally, the change will not result in unfair discrimination against firms that represent retail customers, since providing financial incentives to such members, while not inconsistent with the Act, is also not required by the Act, and because the incentives provided by the ISP remain in place.

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

NASDAQ 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.[11] NASDAQ notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, NASDAQ must continually adjust its fees to remain competitive with other exchanges and with alternative trading systems that have

[11] 15 U.S.C. 78f(b)(8).

been exempted from compliance with the statutory standards applicable to exchanges, while also seeking to recoup its costs of operation and earn a return. Accordingly, NASDAQ believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited. In this case, NASDAQ is eliminating an incentive program aimed at members representing retail customers, but in which such members were not currently participating. Accordingly, NASDAQ does not believe that the proposed change will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets.

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

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)

Pursuant to Section 19(b)(3)(A)(ii) of the Act,[12] NASDAQ 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.

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.

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[12] 15 U.S.C. 78s(b)(3)(A)(ii).

10. Advance 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.

5. Text of the proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. ; File No. SR-NASDAQ-2013-105)

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Eliminate the Exchange's Routable Order Program

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1], and Rule 19b-4[2] thereunder, notice is hereby given that on August 5, 2013, The NASDAQ Stock Market LLC ("NASDAQ" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by NASDAQ. 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

NASDAQ is proposing changes to eliminate the Exchange's Routable Order Program ("ROP"). The changes pursuant to this proposal are effective upon filing, and the Exchange will implement the proposed rule changes on August 5, 2013.

The text of the proposed rule change is available on the Exchange's Website at http://nasdaq.cchwallstreet.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

2 17 CFR 240.19b-4.

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. 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

In February 2013, NASDAQ introduced the Routable Order Program in an effort to encourage greater participation by members representing retail customers in NASDAQ.[3] The program was premised on the propensity of members representing retail customers to make more extensive use of exchange-provided routing facilities and pre- and post-market trading sessions, as compared with proprietary traders.

To be eligible for the Routable Order Program, a member was required to have a market participant identifier ("MPID") through which it provides an average daily volume of at least 35 million shares of displayed liquidity using orders that employ the SCAN or LIST routing strategies, including an average daily volume of at least 2 million shares that are provided prior to the NASDAQ Opening Cross and/or after the NASDAQ Closing Cross.[4] During recent months, no members have qualified for the program.

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3 Securities Exchange Act Release No. 68905 (February 12, 2013), 78 FR 11716 (February 29, 2013) (SR-NASDAQ-2013-023).

4 SCAN is a basic routing strategy that is widely used by firms that represent retail customers. SCAN orders check the Nasdaq Market Center System for available shares, while remaining shares are simultaneously routed to destinations on the

With respect to SCAN and LIST orders in securities priced at $1 or more per share entered through an MPID that qualified for the ROP, NASDAQ charged a fee of $0.0029 per share executed with respect to such orders when accessing liquidity in the Nasdaq Market Center.[5] If such orders were designated for display in the Nasdaq Market Center and provided liquidity after posting to the book, NASDAQ provided a credit of $0.0037 per share executed. With respect to SCAN and LIST orders in securities priced less than $1 per share entered through an MPID that qualified for the ROP, NASDAQ charged a fee of 0.30% of the total transaction cost with respect to such orders when accessing liquidity in the Nasdaq Market Center,[6] and provided a credit of $0.00003 per share executed if they were designated for display and provided liquidity after posting to the book. These fees and credits would be in lieu of the fees and credits otherwise charged or provided under Rule 7018. Moreover, orders that qualified for these fees and credits were not eligible to receive additional credits under NASDAQ's Investor Support

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applicable routing table. If shares remain un-executed after routing, they are posted on the book. Once on the book, if the order is subsequently locked or crossed by another market center, the System will not route the order to the locking or crossing market center. LIST is a routing strategy that is used by firms that wish for their orders to participate in the opening and closing processes of each security's primary listing exchange, to access liquidity on all exchanges if marketable, and otherwise to post to the NASDAQ book. Members, including those that represent retail customers, use the LIST strategy to offload on the Exchange and its routing broker the technical complexity associated with routing orders to participate in the market open and/or close.

5 When such orders executed at other market centers, the routing fees provided for in Rule 7018 would apply.

6 When such orders executed at other market centers, the routing fees provided for in Rule 7018 would apply.

Program (the "ISP"),[7] but were included in calculations with regard to eligibility to participate in the ISP and other incentive programs under Rule 7014.

The program has not been successful in achieving its goal of encouraging members with retail order flow to increase their participation in NASDAQ. Accordingly, NASDAQ has decided to terminate the program, such that a member that might qualify for the program in the future would receive credits and pay fees otherwise applicable under Rule 7018 and 7014.[8]

2. <u>Statutory Basis</u>

NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,[9] in general, and with Sections 6(b)(4) and 6(b)(5) of the Act,[10] 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 or system which NASDAQ operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

NASDAQ believes that the proposed elimination of the ROP is consistent with the requirements of the Act. Specifically, although the goal of the program was to provide meaningful incentives for members that represent significant numbers of retail

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[7] Rule 7014(a)-(c).

[8] Because this proposed rule change is effective as of August 5, 2013, ROP pricing would apply on August 1-2, 2013 to any member that qualifies for the ROP during August 2013.

In addition to deleting the relevant paragraphs from Rule 7014, NASDAQ is also making conforming changes to the rest of that rule.

[9] 15 U.S.C. 78f.

[10] 15 U.S.C. 78f(b)(4) and (5).

customers to increase their participation in NASDAQ, the program has not had that effect; accordingly, elimination of the program is reasonable because it will not result in a change to the fees and rebates applicable to members in August 2013, based on their level of participation in recent months. In addition, the change is reasonable because the fees and rebates applicable in the absence of the program are the fees and rebates that are otherwise in effect for members not qualifying for the program under Rules 7014 and 7018, all of which have been established and described in prior proposed rule changes. In addition, another pricing incentive program aimed at members representing retail customers, the ISP, remains in effect. The change is consistent with an equitable allocation of fees and is not unfairly discriminatory because although NASDAQ believes that it is equitable to use fee reductions as a means to encourage greater retail participation in NASDAQ, such reductions are not required under the Act, and the change will eliminate a provision that could result in a very high rebate being paid to only certain members. Moreover, since the program has not applied to any members in recent months, its elimination will not have a direct effect on the allocation of fees. Similarly, its elimination is not discriminatory because it will have no direct effect on members based on their current levels of participation. Finally, the change will not result in unfair discrimination against firms that represent retail customers, since providing financial incentives to such members, while not inconsistent with the Act, is also not required by the Act, and because the incentives provided by the ISP remain in place.

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

NASDAQ 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.[11] NASDAQ notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, NASDAQ must continually adjust its fees to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges, while also seeking to recoup its costs of operation and earn a return. Accordingly, NASDAQ believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited. In this case, NASDAQ is eliminating an incentive program aimed at members representing retail customers, but in which such members were not currently participating. Accordingly, NASDAQ does not believe that the proposed change will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets.

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

No written comments were either solicited or received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act[12] and paragraph (f) of Rule 19b-4 thereunder.[13] At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily

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11 15 U.S.C. 78f(b)(8).

12 15 U.S.C. 78s(b)(3)(A).

13 17 CFR 240.19b-4(f).

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.

IV. Solicitation of Comments

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

Electronic comments:

- Use the Commission's Internet comment form (http://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NASDAQ-2013-105 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-2013-105. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (http://www.sec.gov/rules/sro.shtml).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-NASDAQ-2013-105 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.[14]

Kevin M. O'Neill
Deputy Secretary

[14] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

The text of the proposed rule change is below. Proposed new language is underlined; deletions are bracketed.

7014. Market Quality Incentive Programs

Investor Support Program

(a) No change.

(b) Subject to the conditions set forth in section (c) of this Rule, Nasdaq shall issue to the member a monthly ISP credit, which shall be determined by multiplying $0.00005, $0.0001, or $0.0002 by the number of shares of displayed liquidity to which a particular rate applies, as described below.

Except as provided in Rule 7014[(h) and (i)] <u>(e) and (f)</u>, an ISP credit issued under this Rule will be in addition to (and will not replace) any other credit or rebate for which a member may qualify.

(c) No change.

[Routable Order Program]

[(d) A member is eligible to participate in the Routable Order Program ("ROP") with respect to any MPID through which it (i) provides an average daily volume of at least 35 million shares of displayed liquidity using orders that employ the SCAN or LIST routing strategies, and (ii) provides displayed liquidity and/or routes an average daily volume of at least 2 million shares prior to the Nasdaq Opening Cross and/or after the Nasdaq Closing Cross using orders that employ the SCAN or LIST routing strategies. If a member seeking to participate in the ROP terminates the use of one MPID and simultaneously commences use of another MPID during the course of a month, it may aggregate activity on the two MPIDs for purposes of determining its eligibility.]

[(e) With respect to SCAN or LIST orders in securities priced at $1 or more per share that are entered through such an MPID, NASDAQ will charge a fee of $0.0029 per share executed for such orders that access liquidity in the Nasdaq Market Center and will provide a credit of $0.0037 per share executed for such orders that are displayed and that provide liquidity, in lieu of the fees or credits otherwise charged or provided under Rule 7018. With respect to SCAN or LIST orders in securities priced at less than $1 per share that are entered through such an MPID, NASDAQ will charge a fee of 0.3% of the total transaction cost for such orders that access liquidity in the Nasdaq Market Center and will provide a credit of $0.00003 per share executed for such orders that are displayed and that provide liquidity, in lieu of the fees or credits otherwise charged or provided under Rule 7018.]

[(f) Orders that qualify for the ROP will not be eligible to receive any credits under the ISP, but are included in calculations with regard to eligibility to participate in the ISP and other programs under this rule.]

Qualified Market Maker ("QMM") Program

[(g)] (d) A member may be designated as a QMM with respect to one or more of its MPIDs if:

(1) – (2) No change.

[(h)] (e) The following pricing incentives will be provided to a member that is a QMM with respect to a particular MPID (a "QMM MPID"):

(1) NASDAQ will provide an NBBO Setter Incentive credit of $0.0005 per share executed with respect to orders that qualify for the NBBO Setter Incentive program under Rule 7014[(j)](g) and that are entered through a QMM MPID during the first month in which the MPID becomes a QMM MPID. Thereafter, NASDAQ will provide an NBBO Setter Incentive credit of $0.0005 per share executed with respect to such orders if the QMM's volume of liquidity provided through the QMM MPID during the month (as a percentage of Consolidated Volume) exceeds the lesser of the volume of liquidity provided through such QMM MPID during the first month in which the MPID qualified as a QMM MPID (as a percentage of Consolidated Volume) or 1.0% of Consolidated Volume. NASDAQ will provide an NBBO Setter Incentive credit of $0.0002 per share executed with respect to orders that qualify for the NBBO Setter Incentive program that are entered through any other QMM MPID. However, if a QMM also participates in the ISP, NASDAQ will pay the greater of any applicable credit under the ISP or the NBBO Setter Incentive program, but not a credit under both programs.

(2) – (3) No change.

NBBO Setter Incentive Program

[(i)] (f) Subject to the conditions set forth in section [(j)] (g) of this Rule, Nasdaq shall issue to a member a monthly NBBO Setter Incentive credit, which shall be determined by multiplying $0.0005, $0.0002, or $0.0001 by the number of shares of displayed liquidity to which a particular rate applies, as described below. An NBBO Setter Incentive credit issued under this Rule will be in addition to (and will not replace) any other credit or rebate for which a member may qualify; provided, however, that no NBBO Setter Incentive credit will be issued with respect to Designated Retail Orders (as defined in Rule 7018); and provided further, that if a QMM eligible to receive NBBO Setter Incentive credits also participates in the ISP, NASDAQ will pay the greater of any applicable credit under the ISP or the NBBO Setter Incentive program, but not a credit under both programs.

[(j)] (g)(1) A member shall be entitled to receive an NBBO Setter Incentive credit at the $0.0001 rate with respect to all shares of displayed liquidity that are executed at a price of $1 or more in the Nasdaq Market Center during a given month if posted through an order that:

(A) – (B) No change.

(2) – (3) No change.

(4) A member shall be entitled to receive an NBBO Setter Incentive credit at the $0.0002 rate with respect to all shares of displayed liquidity that are executed at a price of $1 or more in the Nasdaq Market Center during a given month if posted through an order that:

(A) displayed a quantity of at least one round lot at the time of execution;

(B) either established the NBBO or was the first order posted on Nasdaq that had the same price as an order posted at another trading center with a protected quotation that established the NBBO; and

(C) was entered through a QMM MPID that did not satisfy the criteria specified in paragraph [(j)](g)(3)(C) above.

Definitions and Certifications

[(k)] (h) Definitions

For purposes of this Rule, the terms set forth below shall have the following meanings:

(1) – (9) No change.

[(l)] (i) A member shall certify to the reasonable satisfaction of Nasdaq: (i) its Baseline Participation Ratio; and (ii) if requested by Nasdaq, its compliance with any other sections or requirements of this Rule, but not more often than once a month during participation in any incentive program hereunder.