

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 23	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2015 - * 008	Amendment No. (req. for Amendments *)
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"/>	
			Rule	
Pilot <input type="checkbox"/>	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 checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934	
Section 806(e)(1) * <input type="checkbox"/>		Section 806(e)(2) * <input type="checkbox"/>	Section 3C(b)(2) * <input type="checkbox"/>	
Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>			
<b>Description</b>				
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).				
<input type="text" value="Proposed changes to modify fees assessed under NASDAQ Rule 7018(a)."/>				
<b>Contact Information</b>				
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@nasdaq.com"/>			
Telephone *	<input type="text" value="(301) 978-8499"/>	Fax	<input type="text" value="(301) 978-8472"/>	
<b>Signature</b>				
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="02/02/2015"/>	<input type="text" value="Executive Vice President and General Counsel"/>		
By	<input type="text" value="Edward S. Knight"/>	<input type="text" value="edward.knight@nasdaq.com"/>		
(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) under the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> The NASDAQ Stock Market LLC (“NASDAQ” or “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) proposed changes to modify fees assessed under NASDAQ Rule 7018(a).

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 16, 2014. 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.

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

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 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

NASDAQ is proposing to amend NASDAQ Rule 7018(a) to modify the fees assessed under the rule for securities it trades priced at \$1 or more. Specifically, NASDAQ proposes to change the fee assessed for CART orders in securities listed on NASDAQ ("Tape C"), NYSE ("Tape A") and on exchanges other than NASDAQ and the NYSE ("Tape B") (collectively, the "Tapes"). In addition, NASDAQ is proposing to change the fee assessed for orders in Tape A securities that are routed to NYSE and then routed to another venue for execution. Lastly, NASDAQ is proposing to change the fee assessed for orders in Tape B securities that are routed to NYSEAmex or NYSEArca and then routed to another venue for execution.

CART is a routing option by which orders in securities of all Tapes route to the NASDAQ OMX BX Equities Market ("BX") then the NASDAQ OMX PHLX PSX System ("PSX"), and then the System.<sup>3</sup> The Exchange currently assesses no charge for CART orders that execute on BX and passes-through all fees assessed and rebates offered by PSX for such orders. CART orders executed on PSX result in a pass through charge of \$0.0024 per share executed.<sup>4</sup> The Exchange is proposing to now assess a set charge of \$0.0030 per share executed for CART orders in any Tape security that executes on PSX in lieu of passing through credits and rebates.

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<sup>3</sup> If shares remain un-executed, they are posted to the book or cancelled. Once on the book, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center. See Rule 4758(a)(1)(A)(xi).

<sup>4</sup> See NASDAQ OMX PHLX LLC Pricing Schedule, Section VIII(a)(1).

The Exchange is also proposing to change the fees assessed for Tape A securities routed to NYSE and then routed to another venue for execution. The Exchange passes through any routing fees charged to NASDAQ by NYSE for these orders, which currently is \$0.0030 per share executed but may vary based on changes to the NYSE fee schedule. NASDAQ is proposing to eliminate pass through fees and assess a set fee of \$0.0030 per share executed. Similarly, NASDAQ is proposing to eliminate pass through fees and assess a fee of \$0.0030 per share executed for orders in Tape B securities that are routed to NYSEAmex or NYSEArca and then routed to another venue for execution. The Exchange currently passes through any routing fees charged to NASDAQ by NYSEAmex or NYSEArca for these orders, which currently is \$0.0030 per share executed but may vary based on changes to those exchanges' respective fee schedules.

b. Statutory Basis

NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>5</sup> in general, and with Sections 6(b)(4) and 6(b)(5) of the Act,<sup>6</sup> 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 the Exchange operates or controls, and is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a

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<sup>5</sup> 15 U.S.C. 78f.

<sup>6</sup> 15 U.S.C. 78f(b)(4) and (5).

national market system, and, in general, to protect investors and the public interest; and are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

NASDAQ believes that the proposed changes to the charges assessed for CART orders in securities of any Tape that execute on PSX are reasonable because they eliminate discounted pricing from the fee schedule and more closely aligns the fee received with the costs associated with providing routing services. The Exchange incurs costs in operating and supporting the routing function, which are in addition to the fees of other exchanges that it incurs when a routed order executes on another venue. To cover such costs, the Exchange assesses the same fee as is being proposed for other routed orders, such as STGY, SCAN, SKNY and SKIP orders, which are assessed a charge of \$0.0030 per share executed.<sup>7</sup> Thus, the current pass through fee results in a discount to the fee assessed for use of the routing function for other routed orders. The Exchange notes that CART orders that execute on BX are not assessed a charge, but rather the Exchange receives a rebate from BX for the routed execution.<sup>8</sup> The Exchange also believes that the proposed changes are reasonable because they remove complexity from the fee schedule and assess a fee that is not dependent on knowing what the current liquidity removal rate is on PSX. NASDAQ believes that the proposed changes to CART order fees are equitably allocated because all member firms that receive an execution on PSX will be assessed a fee that is more closely aligned with the costs incurred by

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<sup>7</sup> For a description of STGY, SCAN, SKNY and SKIP routing strategies, see Rules 4758(a)(1)(A)(i) and (ii).

<sup>8</sup> BX provides rebates to market participants that remove liquidity ranging from \$0.0004 to \$0.0015. See BX Rule 7018(a).

NASDAQ, as noted above. NASDAQ believes that the proposed changes to CART order fees do not discriminate unfairly because they eliminate a distinction in the fees whereby discounted fees are charged for use of the Exchange's routing functionality. Moreover, the proposed changes do not discriminate unfairly because they eliminate a distinction in the routing fees whereby some fees are fixed and others are based on fee assessed by other markets. As noted above, most routing fees are based on a set fee, and are not tied to the fees of other markets.

The Exchange believes that the change to eliminate pass through fees for Tape A securities that are routed to NYSE and then routed to another venue for execution, and the change to eliminate pass through fees for Tape B securities that are routed to NYSEAmex and NYSEArca and then routed to another venue for execution are reasonable because they remove complexity from the fee schedule and assess a fee that is not dependent on knowing what the current routing rates are on those markets. Moreover, the proposed new fees are identical to the fees assessed currently. The Exchange believes that the proposed fee changes are equitably allocated because all member firms that receive an execution on another venue in these securities will be assessed the same fee. Lastly, the Exchange believes that the proposed changes do not discriminate unfairly because they eliminate a distinction in the routing fees whereby some fees are fixed and others are based on fee assessed by other markets. As noted above, most of NASDAQ's routing fees are based on a set fee, and are not tied to the fees of other markets.

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

NASDAQ does not believe that the proposed rule changes will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes

of the Act, as amended.<sup>9</sup> 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. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, NASDAQ believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited. In this instance, the changes to routing fees and credits do not impose a burden on competition because NASDAQ's routing services are optional and are the subject of competition from other exchanges and broker-dealers that offer routing services, as well as the ability of members to use their own routing capabilities. The increased fees for execution of CART orders on PSX are reflective of a need to better align the fees received with the costs incurred in operating and supporting the routing function. The proposed changes to orders in certain Tape securities routed to NYSE, NYSEAmex, and NYSEArca do not represent an increase or decrease in fees, but rather, like the change to CART orders, removes an unnecessarily complex process to determine the fee assessed with a set fee, which is consistent with other NASDAQ routing fees. Under the current fees, a member firm must know what the respective fee schedules of PSX, NYSE, NYSEAmex and NYSEArca are at any given time. Thus, the changes will simplify the fee schedule by providing certainty to the fee assessed. For these reasons,

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<sup>9</sup> 15 U.S.C. 78f(b)(8).



NASDAQ does not believe that any of the proposed changes will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets. While the Exchange does not believe that the proposed changes will result in any burden on competition, if the changes proposed herein are unattractive to market participants it is likely that NASDAQ will lose market share as a result.

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,<sup>10</sup> 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.

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

Not applicable.

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<sup>10</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

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. 34- ; File No. SR-NASDAQ-2015-008)

February \_\_, 2015

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Modify NASDAQ Rule 7018 Fees

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 2, 2015, The NASDAQ Stock Market LLC (“NASDAQ” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a 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

NASDAQ is proposing to modify NASDAQ Rule 7018 fees assessed for execution and routing securities listed on NASDAQ, the New York Stock Exchange (“NYSE”) and on exchanges other than NASDAQ and NYSE.

The text of the proposed rule change is available at [nasdaq.cchwallstreet.com](http://nasdaq.cchwallstreet.com) at NASDAQ’s principal office, and at the Commission’s Public Reference Room.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 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, NASDAQ 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 those 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 parts of such statements.

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

1. Purpose

NASDAQ is proposing to amend NASDAQ Rule 7018(a) to modify the fees assessed under the rule for securities it trades priced at \$1 or more. Specifically, NASDAQ proposes to change the fee assessed for CART orders in securities listed on NASDAQ ("Tape C"), NYSE ("Tape A") and on exchanges other than NASDAQ and the NYSE ("Tape B") (collectively, the "Tapes"). In addition, NASDAQ is proposing to change the fee assessed for orders in Tape A securities that are routed to NYSE and then routed to another venue for execution. Lastly, NASDAQ is proposing to change the fee assessed for orders in Tape B securities that are routed to NYSEAmex or NYSEArca and then routed to another venue for execution.

CART is a routing option by which orders in securities of all Tapes route to the NASDAQ OMX BX Equities Market ("BX") then the NASDAQ OMX PHLX PSX System ("PSX"), and then the System.<sup>3</sup> The Exchange currently assesses no charge for

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<sup>3</sup> If shares remain un-executed, they are posted to the book or cancelled. Once on the book, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center. See Rule 4758(a)(1)(A)(xi).

CART orders that execute on BX and passes-through all fees assessed and rebates offered by PSX for such orders. CART orders executed on PSX result in a pass through charge of \$0.0024 per share executed.<sup>4</sup> The Exchange is proposing to now assess a set charge of \$0.0030 per share executed for CART orders in any Tape security that executes on PSX in lieu of passing through credits and rebates.

The Exchange is also proposing to change the fees assessed for Tape A securities routed to NYSE and then routed to another venue for execution. The Exchange passes through any routing fees charged to NASDAQ by NYSE for these orders, which currently is \$0.0030 per share executed but may vary based on changes to the NYSE fee schedule. NASDAQ is proposing to eliminate pass through fees and assess a set fee of \$0.0030 per share executed. Similarly, NASDAQ is proposing to eliminate pass through fees and assess a fee of \$0.0030 per share executed for orders in Tape B securities that are routed to NYSEAmex or NYSEArca and then routed to another venue for execution. The Exchange currently passes through any routing fees charged to NASDAQ by NYSEAmex or NYSEArca for these orders, which currently is \$0.0030 per share executed but may vary based on changes to those exchanges' respective fee schedules.

## 2. Statutory Basis

NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>5</sup> in general, and with Sections 6(b)(4) and 6(b)(5) of the Act,<sup>6</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees and

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<sup>4</sup> See NASDAQ OMX PHLX LLC Pricing Schedule, Section VIII(a)(1).

<sup>5</sup> 15 U.S.C. 78f.

<sup>6</sup> 15 U.S.C. 78f(b)(4) and (5).

other charges among members and issuers and other persons using any facility or system which the Exchange operates or controls, and is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest; and are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

NASDAQ believes that the proposed changes to the charges assessed for CART orders in securities of any Tape that execute on PSX are reasonable because they eliminate discounted pricing from the fee schedule and more closely aligns the fee received with the costs associated with providing routing services. The Exchange incurs costs in operating and supporting the routing function, which are in addition to the fees of other exchanges that it incurs when a routed order executes on another venue. To cover such costs, the Exchange assesses the same fee as is being proposed for other routed orders, such as STGY, SCAN, SKNY and SKIP orders, which are assessed a charge of \$0.0030 per share executed.<sup>7</sup> Thus, the current pass through fee results in a discount to the fee assessed for use of the routing function for other routed orders. The Exchange notes that CART orders that execute on BX are not assessed a charge, but rather the

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<sup>7</sup> For a description of STGY, SCAN, SKNY and SKIP routing strategies, see Rules 4758(a)(1)(A)(i) and (ii).

Exchange receives a rebate from BX for the routed execution.<sup>8</sup> The Exchange also believes that the proposed changes are reasonable because they remove complexity from the fee schedule and assess a fee that is not dependent on knowing what the current liquidity removal rate is on PSX. NASDAQ believes that the proposed changes to CART order fees are equitably allocated because all member firms that receive an execution on PSX will be assessed a fee that is more closely aligned with the costs incurred by NASDAQ, as noted above. NASDAQ believes that the proposed changes to CART order fees do not discriminate unfairly because they eliminate a distinction in the fees whereby discounted fees are charged for use of the Exchange's routing functionality. Moreover, the proposed changes do not discriminate unfairly because they eliminate a distinction in the routing fees whereby some fees are fixed and others are based on fee assessed by other markets. As noted above, most routing fees are based on a set fee, and are not tied to the fees of other markets.

The Exchange believes that the change to eliminate pass through fees for Tape A securities that are routed to NYSE and then routed to another venue for execution, and the change to eliminate pass through fees for Tape B securities that are routed to NYSEAmex and NYSEArca and then routed to another venue for execution are reasonable because they remove complexity from the fee schedule and assess a fee that is not dependent on knowing what the current routing rates are on those markets. Moreover, the proposed new fees are identical to the fees assessed currently. The Exchange believes that the proposed fee changes are equitably allocated because all member firms that receive an execution on another venue in these securities will be

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<sup>8</sup> BX provides rebates to market participants that remove liquidity ranging from \$0.0004 to \$0.0015. See BX Rule 7018(a).

assessed the same fee. Lastly, the Exchange believes that the proposed changes do not discriminate unfairly because they eliminate a distinction in the routing fees whereby some fees are fixed and others are based on fee assessed by other markets. As noted above, most of NASDAQ's routing fees are based on a set fee, and are not tied to the fees of other markets.

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

NASDAQ does not believe that the proposed rule changes will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.<sup>9</sup> 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. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, NASDAQ believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited. In this instance, the changes to routing fees and credits do not impose a burden on competition because NASDAQ's routing services are optional and are the subject of competition from other exchanges and broker-dealers that offer routing services, as well as the ability of members to use their own routing capabilities. The increased fees for execution of CART orders on PSX are reflective of a need to better

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<sup>9</sup> 15 U.S.C. 78f(b)(8).



align the fees received with the costs incurred in operating and supporting the routing function. The proposed changes to orders in certain Tape securities routed to NYSE, NYSEAmex, and NYSEArca do not represent an increase or decrease in fees, but rather, like the change to CART orders, removes an unnecessarily complex process to determine the fee assessed with a set fee, which is consistent with other NASDAQ routing fees. Under the current fees, a member firm must know what the respective fee schedules of PSX, NYSE, NYSEAmex and NYSEArca are at any given time. Thus, the changes will simplify the fee schedule by providing certainty to the fee assessed. For these reasons, NASDAQ does not believe that any of the proposed changes will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets. While the Exchange does not believe that the proposed changes will result in any burden on competition, if the changes proposed herein are unattractive to market participants it is likely that NASDAQ will lose market share as a result.

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

The foregoing change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>10</sup>. 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.

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<sup>10</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

#### 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](mailto:rule-comments@sec.gov). Please include File Number SR-NASDAQ-2015-008 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-NASDAQ-2015-008. 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-2015-008, 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.<sup>11</sup>

Kevin M. O'Neill  
Deputy Secretary

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<sup>11</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

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

**7018. Nasdaq Market Center Order Execution and Routing**

(a) The following charges shall apply to the use of the order execution and routing services of the Nasdaq Market Center by members for all securities priced at \$1 or more that it trades. For purposes of determining a member's shares of liquidity routed, TFTY, MOPB, MOPP, SAVE, SOLV, CART, QDRK, QCST and directed orders are not counted. As used in this rule, the term "Consolidated Volume" shall mean the total consolidated volume reported to all consolidated transaction reporting plans by all exchanges and trade reporting facilities during a month in equity securities, excluding executed orders with a size of less than one round lot. For purposes of calculating Consolidated Volume and the extent of a member's trading activity, expressed as a percentage of or ratio to Consolidated Volume, the date of the annual reconstitution of the Russell Investments Indexes shall be excluded from both total Consolidated Volume and the member's trading activity.

**(1) Fees for Execution and Routing of Orders in Nasdaq-Listed Securities**

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<p>Charge or credit to member entering TFTY, MOPB, MOPP, SAVE, SOLV, CART, QDRK, QCST or directed order that executes in a venue other than the Nasdaq Market Center:</p>	<p>Charge of \$0.0035 per share executed for directed orders                  Charge of \$0.0030 per share executed for TFTY orders that execute at NASDAQ OMX PSX  <u>Charge of \$0.0030 per share executed</u> f[F]or CART orders that execute at NASDAQ OMX PSX[, Nasdaq will pass through all fees assessed and rebates offered by NASDAQ OMX PSX]                  No charge or credit for TFTY, SOLV, CART, or SAVE orders that execute at NASDAQ OMX BX                  Charge of \$0.0030 per share executed for SAVE or SOLV orders that execute at venues other than NASDAQ OMX BX                  Charge of \$0.0035 per share executed for a MOPB or MOPP order                  Charge of \$0.0007 per share executed for TFTY orders that execute on venues other than NASDAQ OMX BX or NASDAQ OMX PSX                  Charge of \$0.0007 per share executed for</p>
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	QCST and QDRK orders, except no charge or credit for QCST orders that execute on NASDAQ OMX BX
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**(2) Fees for Execution and Routing of Securities Listed on NYSE**

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Charge or credit to member entering TFTY, MOPB, MOPP, SAVE, SOLV, CART, QCST, QDRK or directed order that executes in a venue other than the Nasdaq Market Center:	Charge of \$0.0035 per share executed for directed orders <u>Charge of \$0.0030 per share executed</u> f[F]or CART orders that executed at NASDAQ OMX PSX[, Nasdaq will pass through all fees assessed and rebates offered by NASDAQ OMX PSX] No charge or credit for TFTY, SOLV, CART, or SAVE orders that execute at NASDAQ OMX BX Charge of \$0.0035 per share executed for a MOPB or MOPP order For TFTY orders that execute: (i) at venues other than NYSE, NASDAQ OMX BX or NASDAQ OMX PSX, charge of \$0.0007 per share executed; or (ii) at the NYSE or NASDAQ OMX PSX, charge of \$0.0030 per share executed For SAVE or SOLV orders that execute: (i) at venues other than NASDAQ OMX BX, charge of \$0.0030 per share executed Charge of \$0.0007 per share executed for QCST and QDRK orders, except no charge or credit for QCST orders that execute on NASDAQ OMX BX
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Order that is routed to NYSE and then routed to another venue for execution:	<u>\$0.0030 per share executed</u> [NASDAQ will pass-through any routing fees charged to NASDAQ by NYSE]
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**(3) Fees for Execution and Routing of Orders in Securities Listed on Exchanges other than Nasdaq and NYSE (“Tape B Securities”)**

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<p>Charge or credit to member entering TFTY, MOPB, MOPP, SAVE, SOLV, CART, QDRK, QCST or directed order that executes in a venue other than the Nasdaq Market Center:</p>	<p>Charge of \$0.0035 per share executed for directed orders                  Charge of \$0.0030 per share executed for TFYY orders that execute at NASDAQ OMX PSX  <u>Charge of \$0.0030 per share executed</u> <u>f[F]or CART orders that execute at NASDAQ OMX PSX[, Nasdaq will pass through all fees assessed and rebates offered by NASDAQ OMX PSX ]</u>                  No charge or credit for TFTY, SOLV, CART, or SAVE orders that execute at NASDAQ OMX BX                  Charge of \$0.0030 per share executed for SAVE or SOLV orders that execute at venues other than NASDAQ OMX BX                  Charge of \$0.0035 per share executed for a MOPB or MOPP order                  Charge of \$0.0007 per share executed for TFTY orders that execute in venues other than NASDAQ OMX BX or NASDAQ OMX PSX                  Charge of \$0.0007 per share executed for QCST and QDRK, except no charge or credit for QCST orders that execute on NASDAQ OMX BX</p>
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\* \* \* \* \*

<p>Order that is routed to NYSEAmex or NYSEArca and then routed to another venue for execution:</p>	<p><u>\$0.0030 per share executed</u>[NASDAQ will pass-through any routing fees charged to NASDAQ by NYSEAmex or NYSEArca, as applicable]</p>
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(4) No change.

(b) – (m) No change.

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