

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 24	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2017 - * 056	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"/>
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input checked="" type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input type="checkbox"/> 19b-4(f)(6)		
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * <input type="checkbox"/>			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 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 *).  Proposal to amend the Exchange transaction fees at Rule 7018(a)(2).					
<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 * Sean Last Name * Bennett Title * Principal Associate General Counsel E-mail * Sean.Bennett@nasdaq.com Telephone * (301) 978-8499 Fax					
<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 06/01/2017 By Edward S. Knight (Name *) Executive Vice President and General Counsel  edward.knight@nasdaq.com					
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 \***

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 \***

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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 the Proposed Rule Change

(a) The NASDAQ Stock Market LLC (“Nasdaq” or “Exchange”), 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> is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to amend the Exchange’s transaction fees at Rule 7018(a)(2) to eliminate a \$0.0001 per share executed credit provided to a member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity in securities listed on the New York Stock Exchange (“Tape A”), as described further below.

A notice of the proposed rule change for publication in the Federal Register is attached as Exhibit 1. The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors (the “Board”) on August 15, 2016. Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

Questions and comments on the proposed rule change may be directed to:

T. Sean Bennett  
Principal Associate General Counsel  
Nasdaq, Inc.  
(301) 978-8499

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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

The purpose of the proposed rule change is to amend Exchange's transaction fees at Rule 7018(a)(2) to eliminate a \$0.0001 per share executed credit provided to a member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity in Tape A securities. Under Rule 7018(a), the Exchange assesses fees for the removal of liquidity and provides credits for the provision thereof. The Exchange currently provides a \$0.0001 per share executed credit to a member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity if the member has shares of liquidity provided in all securities during the month representing at least 0.2% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs. This \$0.0001 per share executed credit is provided in addition to the credits provided for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity under Rule 7018(a)(2).<sup>3</sup> This credit is also provided in addition to any rebates that a member qualifies for under the NBBO, and QMM programs under Rule 7014. The credit is not additive to DLP rebates under Rule 7014 or Designated Retail Order credits under Rule 7018.

The credit, together with an identical credit applicable to Tape B securities, was adopted to provide incentive to market participants to increase the level of liquidity provided to the Exchange, in which the Exchange had observed a decline in overall

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<sup>3</sup> The Exchange also provides a \$0.0001 per share executed credit with identical criteria applicable to Tape B securities. See Rule 7018(a)(3).

volume on the Exchange in Tape A and B securities in comparison to Tape C securities.<sup>4</sup>

The Exchange has not observed a significant improvement to the volume in Tape A securities on the Exchange in relation to the Tape A credit and is therefore proposing to eliminate the credit so that it may explore other incentives to improve market quality in Tape A securities.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>5</sup> in general, and furthers the objectives of 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, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

Elimination of the \$0.0001 per share executed credit provided to a member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity in Tape A securities under Rule 7018(a)(2) is reasonable because providing a credit in addition to the other credits provided under Rules 7018(a) and 7014, as described above, is no longer necessary. As noted above, the Exchange set the credit

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<sup>4</sup> See Securities Exchange Act Release No. 77378 (March 16, 2016), 81 FR 15358 (March 22, 2016) (SR-NASDAQ-2016-037). The Exchange has since replaced the qualification criteria required to receive the Tape B \$0.0001 per share executed credit. Specifically, to now qualify for the \$0.0001 per share executed credit in Tape B securities, a member must have shares of liquidity provided in securities that are listed on exchanges other than NASDAQ or NYSE during the month representing at least 0.06% but less than 0.12% of Consolidated Volume during the month through one or more of its Nasdaq Market Center MPIDs. See Securities Exchange Act Release No. 78977 (September 29, 2016), 81 FR 69140 (October 5, 2016) (SR-NASDAQ-2016-132).

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

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

at \$0.0001 per share executed because it believed that providing such a credit would improve the market in Tape A securities. The credit has not significantly provided such incentive and consequently the Exchange believes that it should eliminate the credit to focus its limited funds on other incentives to improve market quality. Accordingly, the Exchange believes eliminating this additional Tape A credit is reasonable.

Elimination of the \$0.0001 per share executed credit provided to a member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity in Tape A securities under Rule 7018(a)(2) is an equitable allocation and is not unfairly discriminatory because it is no longer needed to improve the market in Tape A securities. The Exchange has limited funds to apply in the form of incentives, and thus must deploy those limited funds to incentives that it believes will be the most effective and improve market quality in areas that the Exchange determines are in need of improvement. The Exchange has observed that the credit has not provided the incentive that was necessary to significantly improve the market in Tape A securities by attracting more order flow to the Exchange and is therefore removing the credit so that it may consider other incentives that may improve Tape A market quality. As noted above, the Exchange has limited funds to apply toward incentives, and although an incentive may not significantly achieve its goal of improving market quality, it may nonetheless result in a cost to the Exchange. Eliminating the credit will allow the Exchange deploy its limited funds to incentives in Tape A securities or other areas designed to improve market quality. Accordingly, the Exchange believes that eliminating the credit is an equitable allocation and is not unfairly discriminatory.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. In terms of inter-market competition, the Exchange 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, the Exchange 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, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

In this instance, the Exchange is proposing to eliminate an incentive provided to market participants, which was designed to improve market quality in Tape A securities. The incentive has not significantly improved market quality in Tape A securities and the Exchange does not believe that continuing to offer the credit is the best use of its limited fund nor would it likely achieve the market improvement for which it was designed. Because the Exchange's execution services are completely voluntary and subject to extensive competition both from other exchanges and from off-exchange venues, the proposed elimination of the credit should not impose a burden on competition. If the Exchange is incorrect in concluding that the incentive was not significantly effective, it will likely lose market share in Tape A securities to one of the many other trading venues to the extent market participants believe that those markets are more attractive. Thus, the

Exchange does not believe that the proposed changes will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets or impose any burden on competition.

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

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Pursuant to Section 19(b)(3)(A)(ii) of the Act,<sup>7</sup> the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

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

Not applicable.

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<sup>7</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

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

Not applicable.

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

Not applicable.

11. Exhibits

1. Notice of Proposed Rule Change for publication in the Federal Register.

5. Text of the proposed rule change.

**EXHIBIT 1**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. \_\_\_\_\_ ; File No. SR-NASDAQ-2017-056)

June \_\_, 2017

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to amend the Exchange's transaction fees at Rule 7018(a)(2)

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 June 1, 2017, 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 the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the Exchange's transaction fees at Rule 7018(a)(2) to eliminate a \$0.0001 per share executed credit provided to a member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity in securities listed on the New York Stock Exchange.

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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<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, 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 purpose of the proposed rule change is to amend Exchange's transaction fees at Rule 7018(a)(2) to eliminate a \$0.0001 per share executed credit provided to a member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity in Tape A securities. Under Rule 7018(a), the Exchange assesses fees for the removal of liquidity and provides credits for the provision thereof. The Exchange currently provides a \$0.0001 per share executed credit to a member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity if the member has shares of liquidity provided in all securities during the month representing at least 0.2% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs. This \$0.0001 per share executed credit is provided in addition to the credits provided for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity under Rule 7018(a)(2).<sup>3</sup> This credit is also provided in addition to any rebates that a

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<sup>3</sup> The Exchange also provides a \$0.0001 per share executed credit with identical criteria applicable to Tape B securities. See Rule 7018(a)(3).

member qualifies for under the NBBO, and QMM programs under Rule 7014. The credit is not additive to DLP rebates under Rule 7014 or Designated Retail Order credits under Rule 7018.

The credit, together with an identical credit applicable to Tape B securities, was adopted to provide incentive to market participants to increase the level of liquidity provided to the Exchange, in which the Exchange had observed a decline in overall volume on the Exchange in Tape A and B securities in comparison to Tape C securities.<sup>4</sup> The Exchange has not observed a significant improvement to the volume in Tape A securities on the Exchange in relation to the Tape A credit and is therefore proposing to eliminate the credit so that it may explore other incentives to improve market quality in Tape A securities.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>5</sup> in general, and furthers the objectives of 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 Securities Exchange Act Release No. 77378 (March 16, 2016), 81 FR 15358 (March 22, 2016) (SR-NASDAQ-2016-037). The Exchange has since replaced the qualification criteria required to receive the Tape B \$0.0001 per share executed credit. Specifically, to now qualify for the \$0.0001 per share executed credit in Tape B securities, a member must have shares of liquidity provided in securities that are listed on exchanges other than NASDAQ or NYSE during the month representing at least 0.06% but less than 0.12% of Consolidated Volume during the month through one or more of its Nasdaq Market Center MPIDs. See Securities Exchange Act Release No. 78977 (September 29, 2016), 81 FR 69140 (October 5, 2016) (SR-NASDAQ-2016-132).

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

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

other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

Elimination of the \$0.0001 per share executed credit provided to a member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity in Tape A securities under Rule 7018(a)(2) is reasonable because providing a credit in addition to the other credits provided under Rules 7018(a) and 7014, as described above, is no longer necessary. As noted above, the Exchange set the credit at \$0.0001 per share executed because it believed that providing such a credit would improve the market in Tape A securities. The credit has not significantly provided such incentive and consequently the Exchange believes that it should eliminate the credit to focus its limited funds on other incentives to improve market quality. Accordingly, the Exchange believes eliminating this additional Tape A credit is reasonable.

Elimination of the \$0.0001 per share executed credit provided to a member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity in Tape A securities under Rule 7018(a)(2) is an equitable allocation and is not unfairly discriminatory because it is no longer needed to improve the market in Tape A securities. The Exchange has limited funds to apply in the form of incentives, and thus must deploy those limited funds to incentives that it believes will be the most effective and improve market quality in areas that the Exchange determines are in need of improvement. The Exchange has observed that the credit has not provided the incentive that was necessary to significantly improve the market in Tape A securities by attracting more order flow to the Exchange and is therefore removing the credit so that it may consider other incentives that may improve Tape A market quality. As noted above,

the Exchange has limited funds to apply toward incentives, and although an incentive may not significantly achieve its goal of improving market quality, it may nonetheless result in a cost to the Exchange. Eliminating the credit will allow the Exchange deploy its limited funds to incentives in Tape A securities or other areas designed to improve market quality. Accordingly, the Exchange believes that eliminating the credit is an equitable allocation and is not unfairly discriminatory

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. In terms of inter-market competition, the Exchange 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, the Exchange 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, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

In this instance, the Exchange is proposing to eliminate an incentive provided to market participants, which was designed to improve market quality in Tape A securities. The incentive has not significantly improved market quality in Tape A securities and the Exchange does not believe that continuing to offer the credit is the best use of its limited fund nor would it likely achieve the market improvement for which it was designed.

Because the Exchange's execution services are completely voluntary and subject to extensive competition both from other exchanges and from off-exchange venues, the proposed elimination of the credit should not impose a burden on competition. If the Exchange is incorrect in concluding that the incentive was not significantly effective, it will likely lose market share in Tape A securities to one of the many other trading venues to the extent market participants believe that those markets are more attractive. Thus, the Exchange does not believe that the proposed changes will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets or impose any burden on competition.

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

No written comments were either solicited or received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.<sup>7</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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

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<sup>7</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-2017-056 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-2017-056. 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-2017-056 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>8</sup>

Robert W. Errett  
Deputy Secretary

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<sup>8</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

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

**NASDAQ Stock Market Rules**

\* \* \* \* \*

**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, TTTY, 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 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) No change.

**(2) Fees for Execution and Routing of Securities Listed on NYSE**

\* \* \* \* \*

Credit to member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity:

[in addition to the credits provided for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity, a member with shares of liquidity provided in all securities during the month representing at least 0.2% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs:]	[\$0.0001 per share executed]
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member adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot	\$0.00295 per share executed
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Options and/or Non- Penny Pilot  
Options of 1.15% or more of total  
industry ADV in the customer clearing  
range for Equity and ETF option  
contracts per day in a month on the  
Nasdaq Options Market:

member (i) with shares of liquidity  
accessed in all securities through one or  
more of its Nasdaq Market Center  
MPIDs that represent more than 0.40%  
of Consolidated Volume during the  
month, and (ii) with shares of liquidity  
provided in all securities through one or  
more of its Nasdaq Market Center  
MPIDs that represent more than 0.15%  
of Consolidated Volume during the  
month, and (iii) provides a daily average  
of at least 800,000 shares of non-  
displayed liquidity through one or more  
of its Nasdaq Market Center MPIDs  
during the month: \$0.0027 per share executed

member (i) with shares of liquidity  
provided in securities that are listed on  
exchanges other than NASDAQ or  
NYSE through one or more of its  
Nasdaq Market Center MPIDs that  
represents at least 800,000 shares a day  
on average during the month and (ii)  
doubles the daily average share volume  
provided in securities that are listed on  
exchanges other than NASDAQ or  
NYSE through one or more of its  
Nasdaq Market Center MPIDs during the  
month versus the member's daily average  
share volume provided in securities that  
are listed on exchanges other than  
NASDAQ or NYSE in January 2017: \$0.0026 per share executed

member with shares of liquidity  
provided in all securities through one or  
more of its Nasdaq Market Center  
MPIDs that represent 0.575% or more of  
Consolidated Volume during the month,  
including shares of liquidity provided \$0.0030 per share executed

with respect to securities that are listed on exchanges other than NASDAQ or NYSE that represent 0.10 % or more of Consolidated Volume:

member (i) with shares of liquidity provided in all securities during the month representing at least 0.60% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) Adds NOM Market Maker liquidity in Penny Pilot Options and/or Non- Penny Pilot Options of 0.10% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on the Nasdaq Options Market, and (iii) Adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non- Penny Pilot Options of 1.50% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on the Nasdaq Options Market:

\$0.00305 per share executed

member (i) with shares of liquidity provided in all securities during the month representing at least 0.12% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) Adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non- Penny Pilot Options of 1.15% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day during the month on the Nasdaq Options Market:

\$0.0030 per share executed

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center

\$0.00305 per share executed

MPIDs that represent more than 1.25% of Consolidated Volume during the month:

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.75% of Consolidated Volume during the month and member provides a daily average of at least 5 Million shares of non-displayed liquidity: \$0.0030 per share executed

member with shares of liquidity provided in the Opening and Closing Crosses, excluding Market-on-Close, Limit-on-Close, Market-on-Open, Limit-on-Open, Good-til-Cancelled, and Immediate-or-Cancel orders, through one or more of its Nasdaq Market Center MPIDs that represent more than 0.01% of Consolidated Volume during the month: \$0.0028 per share executed

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.45% of Consolidated Volume during the month: \$0.0029 per share executed

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.30% of Consolidated Volume during the month during the month: \$0.0027 per share executed

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.30% of Consolidated Volume during the month, including shares of liquidity provided with respect to securities that are listed on exchanges other than \$0.0029 per share executed

NASDAQ or NYSE that represent more than 0.10% of Consolidated Volume:

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.10% of Consolidated Volume during the month: \$0.0025 per share executed

member (i) with shares of liquidity accessed in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.65% of Consolidated Volume during the month, and (ii) with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.10% of Consolidated Volume during the month: \$0.0027 per share executed

member with shares of liquidity accessed in all securities through one or more of its Nasdaq Market Center MPIDs representing more than 0.80% of Consolidated Volume during the month; provided that the member also provides a daily average of at least 2 million shares of liquidity in all securities through one or more of its Nasdaq Market Center MPIDs during the month: \$0.0029 per share executed

member with shares of liquidity accessed in all securities through one or more of its Nasdaq Market Center MPIDs representing more than 0.45% of Consolidated Volume during the month; provided that the member also provides a daily average of at least 2 million shares of liquidity in all securities through one or more of its Nasdaq Market Center MPIDs during the month: \$0.0025 per share executed

member with (i) shares of liquidity provided in all securities during the month: \$0.0029 per share executed

month representing more than 0.15% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) Total Volume, as defined in Chapter XV, Section 2 of the Nasdaq Options Market rules, of 0.90% or more of total industry ADV in the Customer clearing range for Equity and ETF option contracts per day in a month on the Nasdaq Options Market:

member (i) with shares of liquidity provided in all securities during the month representing at least 0.15% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) Adds NOM Market Maker liquidity in Penny Pilot Options and/or Non- Penny Pilot Options of 0.90% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on the Nasdaq Options Market: \$0.00305 per share executed

member (i) with shares of liquidity provided in all securities during the month representing more than 0.10% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Non-Penny Pilot Options of 0.40% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on the Nasdaq Options Market: \$0.0027 per share executed

member that provides a daily average of at least 4 million shares of liquidity, which includes greater than 1.5 million shares per day of non-displayed \$0.0025 per share executed

liquidity, excluding midpoint orders:

member (i) with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.50% of Consolidated Volume during the month and (ii) member qualifies for Tier 4 of the MARS program on the Nasdaq Options Market during the month: \$0.0030 per share executed

Credit to other members: \$0.0020 per share executed

\* \* \* \* \*

**(3)** No change.

**(b) – (m)** No change.

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