

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 19	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2018 - * 020	Amendment No. (req. for Amendments *)
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Filing by The Nasdaq Stock Market LLC  
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 type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

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

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

Proposal to amend Rule 4370 regarding the requirements for the listing of securities that are issued by the Exchange or any of its affiliates.

**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 \* Erik      Last Name \* Wittman

Title \* Senior Associate General Counsel

E-mail \* Erik.Wittman@nasdaq.com

Telephone \* (202) 912-3070      Fax

**Signature**

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

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

(Title \*)

Date 03/09/2018      Executive Vice President and General Counsel

By Edward S. Knight     

(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 \***

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 \***

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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 Rule 4370 regarding the requirements for the listing of securities that are issued by the Exchange or any of its affiliates.

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 set forth below. Proposed new language is underlined; deleted text is in brackets.

\* \* \* \* \*

**4370. Additional Requirements for Nasdaq-Listed Securities Issued by Nasdaq or its Affiliates**

(a) For purposes of this Rule 4370, the terms below are defined as follows:

(1) No change.

(2) “Affiliate Security” means any security issued by a Nasdaq Affiliate or any Exchange-listed option on any such security, with the exception of Portfolio Depository Receipts as defined in Rule 5705(a)(1)(A) and Index Fund Shares as defined in Rule 5705(b)(1)(A).

(b) Upon initial and throughout continued listing and trading of the Affiliate Security on The Nasdaq Stock Market, Nasdaq shall:

(1) [file a report quarterly with the Commission] provide a quarterly report to Nasdaq’s Regulatory Oversight Committee detailing Nasdaq’s monitoring of:

(A) – (B) No change.

(2) engage an independent accounting firm once a year to review and prepare a report on the Affiliate Security to ensure that the Nasdaq Affiliate is in

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

<sup>2</sup> 17 CFR 240.19b-4.

compliance with the listing requirements contained in the Rule 5000, 5100, 5200, 5300, 5400, 5500, and 5600 Series and promptly [forward to the Commission] provide Nasdaq's Regulatory Oversight Committee with a copy of the report prepared by the independent accounting firm.

(c) No change.

\* \* \* \* \*

(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 of the Exchange (the "Board") on September 19, 2017. 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:

Erik Wittman  
Senior Associate General Counsel  
Nasdaq, Inc.  
(202) 912-3070

Arnold Golub  
Vice President and Deputy General Counsel  
Nasdaq, Inc.  
(301) 978-8075

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

a. Purpose

The Exchange proposes to amend Rule 4370 (Additional Requirements for Nasdaq-Listed Securities Issued by Nasdaq or its Affiliates) regarding the requirements for the listing of securities that are issued by the Exchange or any of its affiliates.

Rule 4370 sets forth certain monitoring requirements that must be met throughout the continued listing of securities issued by Nasdaq or its affiliates. More specifically, Rule 4370 provides that, upon initial and throughout continued listing of the Affiliate Security<sup>3</sup> on The Nasdaq Stock Market, Nasdaq shall:

- file a report quarterly (“Quarterly Report”) with the Commission detailing Nasdaq’s monitoring of (a) the Nasdaq Affiliate’s compliance with the listing requirements; and (b) the trading of the Affiliate Security; and
- engage an independent accounting firm once a year to review and prepare a report on the Affiliate Security to ensure that the Nasdaq Affiliate is in compliance with the listing requirements (“Annual Report”) and promptly forward to the Commission a copy of the report prepared by the independent accounting firm.

In discussions with the Commission Staff regarding the Exchange’s Rule 4370, it was determined that the Exchange no longer needs to provide to the Commission copies of the reports specified in paragraphs (b)(1) and (b)(2) thereunder; instead, the Exchange must provide these reports to the Exchange’s Regulatory Oversight Committee.

Accordingly, the Exchange proposes to amend Rule 4370 to remove the requirement that

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<sup>3</sup> Pursuant to Rule 4370(a)(2), “Affiliate Security” means any security issued by a Nasdaq Affiliate, with the exception of Portfolio Depository Receipts as defined in Rule 5705(a)(1)(A) and Index Fund Shares as defined in Rule 5705(b)(1)(A), and pursuant to Rule 4370(a)(1), “Nasdaq Affiliate” means The Nasdaq Stock Market, Inc. and any entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with The Nasdaq Stock Market, Inc., where “control” means that the one entity possesses, directly or indirectly, voting control of the other entity either through ownership of capital stock or other equity securities or through majority representation on the board of directors or other management body of such entity.

the Quarterly Report be filed with the Commission and that copies of the Annual Report be forwarded to the Commission, and to require instead that copies of each such report be provided to Nasdaq's Regulatory Oversight Committee. In addition, the Exchange proposes to modify the definition of "Affiliate Security" in Rule 4370(a)(2) to include any Exchange-listed option on any such security. Finally, the Exchange proposes to modify Rule 4370(b) to require that the Exchange also follow Rule 4370 upon initial and throughout continued trading, not just listing, of the "Affiliate Security" on the Exchange.

No other changes would be made to Rule 4370, which would continue to require that Nasdaq file a report with the Commission if it determines that the Nasdaq Affiliate is not in compliance with the listing requirements.

b. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Exchange Act<sup>4</sup> in general, and Section 6(b)(5)<sup>5</sup> in particular, in that it 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.

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices, to foster cooperation and coordination

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

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

with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, remove impediments to, and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest, because the proposed changes would reduce the paperwork received by the Commission and ease the burden of submitting the Quarterly and Annual Reports, while continuing to help protect against concerns that the Exchange will not effectively enforce its rules with respect to the listing and trading of Affiliate Securities. The proposed rule change would not change the information available to the Commission. The Exchange understands that these reports are subject to Section 17A of the Exchange Act<sup>6</sup> and that it will be required to keep and preserve, and to furnish to the Commission upon request, copies of these reports in accordance with Rule 17a-1 thereunder.<sup>7</sup>

The Exchange believes that the proposed change adding Exchange-listed options to the definition of “Affiliate Security” in Rule 4370(a)(2) and requiring that the Exchange also follow Rule 4370 upon initial and throughout continued trading, not just listing, of the “Affiliate Security” on the Exchange, will expand the scope of Rule 4370, which would help eliminate any perception of a potential conflict of interest if a Nasdaq Affiliate seeks to list and/or trade an option on an Affiliate Security on the Exchange and thus promote just and equitable principles of trade, remove impediments to a free and open market and protect investors and the public interest by helping protect against

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<sup>6</sup> 15 U.S.C. 78q.

<sup>7</sup> 17 CFR 240.17a-1.

concerns that the Exchange will not effectively enforce its rules with respect to the listing and trading of these securities.

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 that is not necessary or appropriate in furtherance of the purposes of the Exchange Act. The proposed rule change is not intended to address competitive issues but rather to reduce the paperwork received by the Commission, ease the burden of submitting the Quarterly and Annual Reports, and provide greater clarity in the Exchange's rules, without changing the information available to the Commission.

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)

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii)<sup>8</sup> of the Act and Rule 19b-4(f)(6) thereunder<sup>9</sup> in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public

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<sup>8</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>9</sup> 17 CFR 240.19b-4(f)(6).



interest.

The Exchange believes that the proposed rule change would not significantly affect the protection of investors or the public interest because the Quarterly and Annual Reports would continue to be available to the Commission in accordance with Section 17A of the Act<sup>10</sup> and Rule 17a-1 thereunder,<sup>11</sup> and Rule 4370 would require that the Quarterly Report be prepared for the Exchange's Regulatory Oversight Committee and the Annual Report be provided promptly to the Exchange's Regulatory Oversight Committee. In addition, the Exchange does not believe that the proposed change adding Exchange-listed options to the definition of "Affiliate Security" in Rule 4370(a)(2) or requiring that the Exchange also follow Rule 4370 upon initial and throughout continued trading, not just listing, of the "Affiliate Security" on the Exchange, would significantly affect the protection of investors or the public interest because it would expand the scope of Rule 4370. The Exchange believes that the proposed rule change would not impose a burden on competition as it is not intended to address competitive issues but rather to reduce the paperwork received by the Commission and ease the burden of submitting the Quarterly and Annual Reports, without changing the information available to the Commission. Accordingly, the Exchange believes that this rule change is eligible for immediately effective treatment.

Furthermore, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that

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<sup>10</sup> 15 U.S.C. 78q.

<sup>11</sup> 17 CFR 240.17a-1.

subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

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

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

The proposal is similar to SR-NYSE-2017-61,<sup>12</sup> SR-NYSE-2016-67<sup>13</sup>, SR-NYSEArca-2017-132,<sup>14</sup> and SR-NYSEArca-2016-147.<sup>15</sup>

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.

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<sup>12</sup> Securities Exchange Act Release No. 82150 (November 22, 2017), 82 FR 56317 (November 28, 2017).

<sup>13</sup> Securities Exchange Act Release No. 79130 (October 21, 2016), 81 FR 74847 (October 27, 2016).

<sup>14</sup> Securities Exchange Act Release No. 82149 (November 22, 2017), 82 FR 56290 (November 28, 2017).

<sup>15</sup> Securities Exchange Act Release No. 79376 (November 22, 2016), 81 FR 86033 (November 29, 2017).

**EXHIBIT 1**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. \_\_\_\_\_ ; File No. SR-NASDAQ-2018-020)

March \_\_, 2018

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Rule 4370 Regarding the Requirements for the Listing of Securities that are Issued by the Exchange or Any of Its Affiliates

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 March 9, 2018, 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 Rule 4370 regarding the requirements for the listing of securities that are issued by the Exchange or any of its affiliates.

The text of the proposed rule change is set forth below. Proposed new language is underlined; deleted text is in brackets.

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

<sup>2</sup> 17 CFR 240.19b-4.

**4370. Additional Requirements for Nasdaq-Listed Securities Issued by Nasdaq or its Affiliates**

(a) For purposes of this Rule 4370, the terms below are defined as follows:

(1) No change.

(2) “Affiliate Security” means any security issued by a Nasdaq Affiliate or any Exchange-listed option on any such security, with the exception of Portfolio Depository Receipts as defined in Rule 5705(a)(1)(A) and Index Fund Shares as defined in Rule 5705(b)(1)(A).

(b) Upon initial and throughout continued listing and trading of the Affiliate Security on The Nasdaq Stock Market, Nasdaq shall:

(1) [~~file a report quarterly with the Commission~~]provide a quarterly report to Nasdaq’s Regulatory Oversight Committee detailing Nasdaq’s monitoring of:

(A) – (B) No change.

(2) engage an independent accounting firm once a year to review and prepare a report on the Affiliate Security to ensure that the Nasdaq Affiliate is in compliance with the listing requirements contained in the Rule 5000, 5100, 5200, 5300, 5400, 5500, and 5600 Series and promptly [~~forward to the Commission~~]provide Nasdaq’s Regulatory Oversight Committee with a copy of the report prepared by the independent accounting firm.

(c) No change.

\* \* \* \* \*

(b) Not applicable.

(c) Not applicable.

\* \* \* \* \*

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to amend Rule 4370 (Additional Requirements for Nasdaq-Listed Securities Issued by Nasdaq or its Affiliates) regarding the requirements for the listing of securities that are issued by the Exchange or any of its affiliates.

Rule 4370 sets forth certain monitoring requirements that must be met throughout the continued listing of securities issued by Nasdaq or its affiliates. More specifically, Rule 4370 provides that, upon initial and throughout continued listing of the Affiliate Security<sup>3</sup> on The Nasdaq Stock Market, Nasdaq shall:

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<sup>3</sup> Pursuant to Rule 4370(a)(2), "Affiliate Security" means any security issued by a Nasdaq Affiliate, with the exception of Portfolio Depository Receipts as defined in Rule 5705(a)(1)(A) and Index Fund Shares as defined in Rule 5705(b)(1)(A), and pursuant to Rule 4370(a)(1), "Nasdaq Affiliate" means The Nasdaq Stock Market, Inc. and any entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with The Nasdaq Stock Market, Inc., where "control" means that the one entity possesses, directly or indirectly, voting control of the other entity either through ownership of capital stock or other equity securities or through majority representation on the board of directors or other management body of such entity.

- file a report quarterly (“Quarterly Report”) with the Commission detailing Nasdaq’s monitoring of (a) the Nasdaq Affiliate’s compliance with the listing requirements; and (b) the trading of the Affiliate Security; and
- engage an independent accounting firm once a year to review and prepare a report on the Affiliate Security to ensure that the Nasdaq Affiliate is in compliance with the listing requirements (“Annual Report”) and promptly forward to the Commission a copy of the report prepared by the independent accounting firm.

In discussions with the Commission Staff regarding the Exchange’s Rule 4370, it was determined that the Exchange no longer needs to provide to the Commission copies of the reports specified in paragraphs (b)(1) and (b)(2) thereunder; instead, the Exchange must provide these reports to the Exchange’s Regulatory Oversight Committee.

Accordingly, the Exchange proposes to amend Rule 4370 to remove the requirement that the Quarterly Report be filed with the Commission and that copies of the Annual Report be forwarded to the Commission, and to require instead that copies of each such report be provided to Nasdaq’s Regulatory Oversight Committee. In addition, the Exchange proposes to modify the definition of “Affiliate Security” in Rule 4370(a)(2) to include any Exchange-listed option on any such security. Finally, the Exchange proposes to modify Rule 4370(b) to require that the Exchange also follow Rule 4370 upon initial and throughout continued trading, not just listing, of the “Affiliate Security” on the Exchange.

No other changes would be made to Rule 4370, which would continue to require that Nasdaq file a report with the Commission if it determines that the Nasdaq Affiliate is not in compliance with the listing requirements.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Exchange Act<sup>4</sup> in general, and Section 6(b)(5)<sup>5</sup> in particular, in that it 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.

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, remove impediments to, and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest, because the proposed changes would reduce the paperwork received by the Commission and ease the burden of submitting the Quarterly and Annual Reports, while continuing to help protect against concerns that the Exchange will not effectively enforce its rules with respect to the listing and trading of Affiliate Securities. The proposed rule change would not change the information available to the Commission. The Exchange understands that these reports are subject to Section 17A of

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

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

the Exchange Act<sup>6</sup> and that it will be required to keep and preserve, and to furnish to the Commission upon request, copies of these reports in accordance with Rule 17a-1 thereunder.<sup>7</sup>

The Exchange believes that the proposed change adding Exchange-listed options to the definition of “Affiliate Security” in Rule 4370(a)(2) and requiring that the Exchange also follow Rule 4370 upon initial and throughout continued trading, not just listing, of the “Affiliate Security” on the Exchange, will expand the scope of Rule 4370, which would help eliminate any perception of a potential conflict of interest if a Nasdaq Affiliate seeks to list and/or trade an option on an Affiliate Security on the Exchange and thus promote just and equitable principles of trade, remove impediments to a free and open market and protect investors and the public interest by helping protect against concerns that the Exchange will not effectively enforce its rules with respect to the listing and trading of these securities.

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. The proposed rule change is not intended to address competitive issues but rather to reduce the paperwork received by the Commission, ease the burden of submitting the Quarterly and Annual Reports, and provide greater clarity in the Exchange’s rules, without changing the information available to the Commission.

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<sup>6</sup> 15 U.S.C. 78q.

<sup>7</sup> 17 CFR 240.17a-1.



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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>8</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>9</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.

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:

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<sup>8</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>9</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

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-2018-020 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-NASDAQ-2018-020. 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-2018-020 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>10</sup>

Eduardo A. Aleman  
Assistant Secretary

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<sup>10</sup> 17 CFR 200.30-3(a)(12).