Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 45	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2020 - * 086
		Amendment No. (req. for Amendments *)

Filing by   The Nasdaq Stock Market LLC

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

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

Rule

Pilot ☐	Extension of Time Period for Commission Action * ☐	Date Expires *		☐ 19b-4(f)(1) ☑ 19b-4(f)(2) ☐ 19b-4(f)(3)	☐ 19b-4(f)(4) ☐ 19b-4(f)(5) ☐ 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) * ☐ Section 806(e)(2) * ☐	Section 3C(b)(2) * ☐

Exhibit 2 Sent As Paper Document ▣

Exhibit 3 Sent As Paper Document ▣

Description

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

A proposal to lower the enterprise license fee for broker-dealers distributing Nasdaq Basic to internal Professional Subscribers as set forth in the Equity 7 Pricing Schedule, Section 147, and the enterprise license fee for broker-dealers distributing Nasdaq Last Sale to Professional Subscribers at Equity 7, Section 139.

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 *	Daniel	Last Name *	Cantu
Title *	Senior Associate General Counsel		
E-mail *	Daniel.Cantu@nasdaq.com		
Telephone *	(301) 978-8469	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	12/07/2020	EVP and Chief Legal Counsel
By	John Zecca	
	(Name *)	

john.zecca@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 EFFS website.

Form 19b-4 Information *

[Add] [Remove] [View]

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

[Add] [Remove] [View]

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

[Add] [Remove] [View]

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

[Add] [Remove] [View]

Exhibit Sent As Paper Document
☐

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

[Add] [Remove] [View]

Exhibit Sent As Paper Document
☐

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

[Add] [Remove] [View]

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

[Add] [Remove] [View]

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

[Add] [Remove] [View]

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1.   Text of 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")[1] and Rule 19b-4

thereunder,[2] is filing with the Securities and Exchange Commission ("SEC" or

"Commission") a proposal to lower the enterprise license fee for broker-dealers

distributing Nasdaq Basic to internal Professional Subscribers as set forth in the Equity 7

Pricing Schedule, Section 147, and the enterprise license fee for broker-dealers

distributing Nasdaq Last Sale ("NLS") to Professional Subscribers at Equity 7, Section

139.

        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 November 2,

2020. 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:

Nasdaq, Inc.
Daniel A. Cantu
Senior Associate General Counsel
(301) 978-8469.

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[1]   15 U.S.C. § 78s(b)(1).

[2]   17 C.F.R. § 240.19b-4.

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

        a.   Purpose

Nasdaq proposes to lower the enterprise license fee for broker-dealers distributing

Nasdaq Basic to internal Professional Subscribers[3] from a two-tiered fee of $365,000,

plus $2 for any Professional Subscribers over 16,000, to a flat fee of $155,000. The

license would otherwise remain unchanged. The enterprise license fee for broker-dealers

distributing NLS to internal Professional Subscribers would be changed in a similar

fashion: the two-tiered fee of $365,000, plus $2 for any Professional Subscribers over

16,000, would be replaced with a flat fee of $155,000. Both fee reductions are designed

to help Nasdaq compete against other exchanges selling top-of-book[4] market data

products.

The Exchange initially filed the proposed pricing changes on September 30, 2020

(SR-NASDAQ-2020-065). On November 23, 2020, the Exchange withdrew that filing

and replaced it with SR-NASDAQ-2020-080. On December 3, 2020, the Exchange

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3   A "Professional Subscriber" is any Subscriber other than a Non-Professional
        Subscriber. A "Non-Professional Subscriber" is "a natural person who is not (i)
        registered or qualified in any capacity with the Commission, the Commodity
        Futures Trading Commission, any state securities agency, any securities exchange
        or association, or (ii) any commodities or futures contract market or association;
        engaged as an 'investment adviser' as that term is defined in Section 201(11) of
        the Investment Advisers Act of 1940 (whether or not registered or qualified under
        that Act); or (iii) employed by a bank or other organization exempt from
        registration under federal or state securities laws to perform functions that would
        require registration or qualification if such functions were performed for an
        organization not so exempt." See Equity 7 Pricing Schedule, Section 147(d)(4).

4   "Top-of-book" market data products provide last sale information, or both last
        sale and best bid and offer information to the user, without additional "depth of
        book" data. Both Nasdaq Last Sale and Nasdaq Basic are examples of top-of-
        book products.

withdrew SR-NASDAQ-2020-080 and replaced it with SR-NASDAQ-2020-085. On

December 7, 2020, the Exchange replaced SR-NASDAQ-2020-085 with this filing.

Nasdaq Basic and Nasdaq Last Sale

Nasdaq Basic is a real-time market data product that offers best bid and offer and

last sale information for all U.S. exchange-listed securities based on liquidity within the

Nasdaq market center and trades reported to the FINRA/Nasdaq Trade Reporting Facility

("TRF"). It is a subset of the "core" quotation and last sale data provided by securities

information processors ("SIPs") distributing consolidated data pursuant to the CTA/CQ

Plan and the UTP Plan. Nasdaq Basic is separated into three components, which may be

purchased individually or in combination: (i) Nasdaq Basic for Nasdaq, which contains

the best bid and offer on the Nasdaq market center and last sale transaction reports for

Nasdaq and the FINRA/Nasdaq TRF for Nasdaq-listed stocks; (ii) Nasdaq Basic for

NYSE, which covers NYSE-listed stocks, and (iii) Nasdaq Basic for NYSE American,

which provides data on stocks listed on NYSE American and other listing venues that

disseminate quotes and trade reports on Tape B. The specific data elements available

through Nasdaq Basic are: (i) Nasdaq Basic Quotes ("QBBO"), the best bid and offer and

associated size available in the Nasdaq Market Center, as well as last sale transaction

reports; (ii) Nasdaq opening and closing prices, as well as IPO and trading halt cross

prices; and (iii) general exchange information, including systems status reports, trading

halt information, and a stock directory.

NLS provides real-time last sale information for executions occurring within the

Nasdaq market center and trades reported to the jointly-operated FINRA/Nasdaq TRF.[5]

The NLS data feed, which provides price, volume and time of execution data for last sale

transactions, includes transaction information for Nasdaq-listed stocks ("NLS for

Nasdaq") and for stocks listed on NYSE, NYSE American, and other Tape B listing

venues ("NLS for NYSE/NYSE American").[6] This is also a non-core product that

provides a subset of the core last sale data distributed by the SIPs under the CTA/CQ

Plan and the UTP Plan.[7]

Current Top-of-Book Enterprise Licenses for Internal Professional Subscribers

Broker-dealers may purchase Nasdaq Basic, or Derived Data[8] therefrom, for

internal professional use for a monthly per-Subscriber fee of $26,[9] or, in lieu of a per-

Subscriber fee, purchase an enterprise license for the internal distribution of Nasdaq

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[5]   See Securities Exchange Act Release No. 57965 (June 16, 2008), 73 FR 35178 (June 20, 2008) (SR-NASDAQ-2006-060) (proposing NLS); see also Securities Exchange Act Release No. 57965 (June 16, 2008), 73 FR 35178 (June 20, 2008) (SR-NASDAQ-2006-060) (approving SR-NASDAQ-2006-060, as amended by Amendment Nos. 1 and 2, to implement NLS on a pilot basis).

[6]   See Securities Exchange Act Release No. 57965 (June 16, 2008), 73 FR 35178 (June 20, 2008) (SR-NASDAQ-2006-060).

[7]   See Securities Exchange Act Release No. 34-82723 (February 15, 2018), 83 FR 7812 (February 22, 2018) (SR-NASDAQ-2018-010).

[8]   "Derived Data" is "pricing data or other information that is created in whole or in part from Nasdaq information; it cannot be reverse engineered to recreate Nasdaq information, or be used to create other data that is recognizable as a reasonable substitute for Nasdaq information." See Equity 7, Section 147(d)(6).

[9]   See Equity 7 Pricing Schedule, Section 147(b)(1). The $26 monthly per-Subscriber fee consists of monthly charges of $13 for Nasdaq Basic for Nasdaq, $6.50 for Nasdaq Basic for NYSE, and $6.50 for Nasdaq Basic for NYSE MKT.

Basic to Professional Subscribers for $365,000, plus $2 for any Professional Subscribers

over 16,000 if an external Distributor[10] controls the display of the product.[11] The license

also allows the broker-dealer to display NLS data for its own stock price and that of up to

ten of its competitors or peers on its internal website. Separate licenses must be

purchased if more than one external Distributor controls display of the product. The

license excludes Distributor fees, which are $1,500 per month for internal distribution.[12]

Although NLS was initially designed for general distribution to individual

investors,[13] a broker-dealer may elect to distribute this data to its registered

representatives through an employer-provided workstation or software application. To

allow for such usage, Nasdaq adopted a fee schedule for "specialized usage" of NLS not

associated with distribution of data to the general investing public. In general, broker-

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[10]   "Distributor" refers to "any entity that receives Nasdaq Basic data directly from
       Nasdaq or indirectly through another entity and then distributes it to one or more
       Subscribers. (A) "Internal Distributors" are Distributors that receive Nasdaq
       Basic data and then distribute that data to one or more Subscribers within the
       Distributor's own entity. (B) "External Distributors" are Distributors that receive
       Nasdaq Basic data and then distribute that data to one or more Subscribers outside
       the Distributor's own entity. See Equity 7, Section 147(d)(1).

[11]   The additional $2 fee was introduced to defray additional costs incurred by
       Nasdaq when distributing Nasdaq Basic through an External Distributor that
       controls display of the product. See Securities Exchange Act Release No. 71507
       (February 7, 2014), 79 FR 8763 (February 13, 2014) (SR-NASDAQ-2014-011).

[12]   See Equity 7 Pricing Schedule, Section 147(c)(1).

[13]   See Securities Exchange Act Release No. 82723 (February 15, 2018), 83 FR 7812
       (February 22, 2018) (SR-Nasdaq-2018-010) (explaining that "NLS was designed
       to enable market-data 'distributors to provide free access to the data contained in
       NLS to millions of individual investors via the internet and television' and was
       expected to 'increase the availability of Nasdaq proprietary market data to
       individual investors.'").

dealers paying for specialized usage track either the number of Subscribers receiving data or the number of queries for the data, and pay the corresponding fee.

As an alternative to per-Subscriber or per-query fees, however, a broker-dealer may purchase an enterprise license for internal Subscribers to receive NLS, or Derived Data therefrom, through an external Distributor that controls display of the product. The fee is $365,000 per month for up to 16,000 internal Subscribers, plus $2 for each additional internal Subscriber over 16,000, the same fee structure as the enterprise license for the internal distribution of Nasdaq Basic to Professionals. A separate enterprise license must be purchased for each external Distributor that controls the display of the product. The enterprise license does not include distributor fees.

Proposed Fee Reduction for Nasdaq Basic and NLS Enterprise Licenses

Nasdaq proposes to reduce its enterprise license fees for Nasdaq Basic and NLS to bolster its ability to compete effectively against other exchanges selling top-of-book market data products, which are substitutes for Nasdaq Basic and NLS. Nasdaq faces vigorous competition for the sale of this data, including from the "Best Quote and Trade" ("BQT") product sold by the NYSE-affiliated exchanges and the Cboe One Summary Feed.

Nasdaq received customer feedback requesting that it lower the price of the professional licenses for its top-of-book products. This feedback prompted a reexamination of Nasdaq's four enterprise licenses for top-of-book data: (i) the license for internal Professional distribution of Nasdaq Basic to Professionals for $365,000 per month (the subject of this proposal); (ii) the license for external distribution of Nasdaq Basic to Professionals and Non-Professionals in the context of the brokerage relationship

for $100,000 per month;[14] (iii) the license for external distribution of NLS data to the

General Investing Public for Display Usage for $41,500;[15] and (iv) the license for internal

and external distribution of top-of-book[16] and depth-of-book[17] products for $500,000

with a twelve-month commitment, or a month-to-month fee of $600,000.[18]

Fees for three of these four licenses have been reduced in the last several years.

In 2016, Nasdaq lowered the fee for external distribution of Nasdaq Basic in the context

of the brokerage relationship from $350,000 to $100,000.[19] Also in 2016, the Exchange

reduced the monthly fee for the external distribution of NLS data from $50,000 to

$41,500.[20] In 2018, Nasdaq introduced an enterprise license that substantially lowered

the cost of purchasing top-of-book and depth-of-book data together by replacing three

separate enterprise licenses—$365,000 for internal distribution of Nasdaq Basic,

$100,000 for external distribution in a brokerage relationship, and $500,000 for

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[14]   See Equity 7 Pricing Schedule, Section 147(b)(5).

[15]   See Equity 7 Pricing Schedule, Section 139(b)(4)

[16]   The top-of-book products distributed under this license are Nasdaq Basic, NLS
          and NLS Plus.

[17]   The depth-of-book products distributed under this license are TotalView and
          Level 2.

[18]   See Equity 7 Pricing Schedule, Section 132.

[19]   See Securities Exchange Act Release No. 79456 (December 2, 2016), 81 FR
          88716 (December 8, 2016) (SR-NASDAQ-2016-162).

[20]   See Securities Exchange Act Release No. 77578 (April 11, 2016), 81 FR 22344
          (April 15, 2016) (SR-NASDAQ-2016-048).

distribution of depth-of-book products—with a single license for a monthly fee of $500,000, with a twelve-month service commitment.[21]

In light of customer feedback and Nasdaq's history of lowering fees for top-of-book products, Nasdaq determined that the proposed fee will better position it to operate in the current competitive environment. Fees for Nasdaq's other three enterprise licenses have been lowered over the course of the last four years, while the license fee for internal professionals has not changed since the enterprise license was introduced in 2014.[22] Nasdaq believes that this fourth fee reduction will allow it to continue to compete in the market for top-of-book products.

The new enterprise license fee will substantially lower total and per-Subscriber costs for broker-dealers with approximately 5,962 or more internal Professional Subscribers. All current enterprise license purchasers will save the difference between the current base fee of $365,000 and the proposed fee of $155,000 (which is $210,000 per month), plus $2 times the number of internal Professional Subscribers over 16,000. A broker-dealer with 17,000 internal Professional Subscribers, for example, would save a

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[21]   See Securities Exchange Act Release No. 83751 (July 31, 2018), 83 FR 38428 (August 6, 2018) (SR-Nasdaq-2018-058).

[22]   See Securities Exchange Act Release No. 71507 (February 7, 2014), 79 FR 8763 (February 13, 2014) (SR-NASDAQ-2014-011).

total of $212,000 per month as compared to the current license,[23] reducing average per-

Subscriber monthly charges from $21.60[24] to $9.12.[25]

In addition, a number of the mid-size broker-dealers that currently have too few

professional subscribers to benefit from the license would be able to achieve substantial

savings at the new, lower rate. The "break even" point—i.e., the point at which the

average per-Subscriber rate of a licensee falls below the per-Subscriber rate of $26—is

currently 14,038 internal Professional Subscribers.[26] Under the new fee schedule, broker-

dealers with as few as 5,962 internal Professional Subscribers would be able to save

money.[27] A hypothetical broker-dealer with 10,000 internal Professional Subscribers

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[23]   The broker-dealer would save the difference between $365,000 and $155,000
         ($210,000), plus an additional $2,000 for the 1,000 Professional Subscribers over
         16,000.

[24]   The hypothetical current average per-Subscriber monthly charge is estimated as
         the current fee of $365,000 plus $2,000 for the 1,000 Professional Subscribers
         over 16,000 divided by 17,000 internal Professional Subscribers.

[25]   The hypothetical per-Subscriber monthly charge for the Proposal is estimated as
         the flat fee of $155,000 divided by 17,000 internal Professional Subscribers.

[26]   See Securities Exchange Act Release No. 71507 (February 7, 2014), 79 FR 8763
         (February 13, 2014) (SR-NASDAQ-2014-011) (explaining that the $365,000
         monthly fee for all internal subscribers, divided by $26 monthly fee for each
         internal Subscriber, is equal to 14,038).

[27]   This estimated cutoff point is calculated as the Proposed license fee of $155,000
         divided by the per-Subscriber rate of $26 per month.

would be able to save $105,000 per month,[28] reducing per-Subscriber fees from $26[29] to $15.50.[30]

In addition to lowering Nasdaq's fees, the proposed rule change will allow users to lower internal administrative costs by eliminating the need to report monthly usage. Nasdaq does not have sufficient information about broker-dealer operations and costs to accurately estimate these savings, but believes that monthly savings in administrative expenditures—as well as the improved ability to project future expenditures achieved by eliminating audit liability for errors in reporting usage—to be substantial.

Staff of the Commission's Division of Trading and Markets have indicated that self-regulatory organizations ("SROs") proposing fee changes should provide "the projected number of purchasers (including members, as well as non-members) of any new or modified product or service . . . ."[31] Prior to the proposed change, two customers had purchased the Nasdaq Basic Professional Subscriber enterprise license for $365,000, plus $2 for any Professional Subscriber over 16,000 if an external Distributor controls the display of the product.[32] Of these two customers, one informed Nasdaq that it would abandon the Nasdaq license in favor of a license offered by one of its two major

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28   Savings are calculated as follows: 10,000 internal Professional Subscribers
        multiplied by $26 per-Subscriber equals $260,000. The difference between
        $260,000 and $155,000 is $105,000.

29   See Equity 7 Pricing Schedule, Section 147(b)(1).

30   This figure is calculated as the proposed flat fee of $155,000 divided by 10,000
        internal Professional Subscribers.

31   See Division of Trading and Markets, U.S. Securities and Exchange Commission,
        "Staff Guidance on SRO Filings Related to Fees (May 21, 2019), available at
        https://www.sec.gov/tm/staff-guidance-sro-rule-filings-fees.

32   No customers purchased the comparable license for NLS, discussed above.

competitors, Cboe and NYSE. After the proposed license fee was instituted on October

1, 2020, the complaining customer decided to retain the license. Nasdaq is also in

discussions with additional customers to purchase the license, including both customers

that do not currently purchase Nasdaq Basic, and customers that do purchase Nasdaq

Basic, but not through an enterprise license. To date, however, no new firms have

purchased the enterprise license.

While any broker-dealer with approximately 5,962 or more internal Subscribers

will be able to benefit from the proposed license, Nasdaq does not know, and is unable to

ascertain with precision, the number of internal Professional Subscribers utilized by

various broker-dealers, nor can it anticipate the actions of its competitors in response to

the lower enterprise license fee, and therefore cannot project precisely the number of

expected purchasers. Nevertheless, judging from expressions of interest and Nasdaq's

experience in the financial services industry, Nasdaq estimates that between fifteen and

twenty broker-dealers worldwide may elect to purchase the license.[33]

      b.   Statutory Basis

The Exchange believes that its Proposal is consistent with Section 6(b) of the

Act,[34] in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,[35]

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.

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[33]   This estimate is based on customer conversations and the experience and judgment of Nasdaq staff.

[34]   See 15 U.S.C. § 78f(b).

[35]   See 15 U.S.C. § 78f(b)(4) and (5).

As a preliminary manner, the statutory basis for the current Nasdaq Basic and

NLS enterprise licenses have already been explained in prior filings.[36] The Proposal

lowers fees for enterprise licenses that have already been shown to be consistent with

Section 6(b) of the Act, and this analysis therefore focuses on the new, lower fees.[37]

**The Proposal is an Equitable Allocation of Reasonable Dues, Fees and
Other Charges**

As the Commission and courts[38] have recognized, "[i]f competitive forces are

operative, the self-interest of the exchanges themselves will work powerfully to constrain

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[36]   See, e.g., Securities Exchange Act Release No. 81697 (September 25, 2017), 82
         FR 45639 (September 29, 2017) (SR-NASDAQ-2017-095); Securities Exchange
         Act Release No. 72620 (July 16, 2014), 79 FR 42572 (July 22, 2014) (SR-
         NASDAQ-2014-070); Securities Exchange Act Release No. 72153 (May 12,
         2014), 79 FR 28575 (May 16, 2014) (SR-NASDAQ-2014-045); Securities
         Exchange Act Release No. 71507 (February 7, 2014), 79 FR 8763 (February 13,
         2014) (SR-NASDAQ-2014-011); see Securities Exchange Act Release No. 82723
         (February 15, 2018), 83 FR 7812 (February 22, 2018) (SR-Nasdaq-2018-010).

[37]   The statutory bases for both the Nasdaq Basic and NLS enterprise licenses are
         identical. Both are top-of-book products sold to broker-dealers for internal
         distribution to Professionals. The fee structure and use requirements are currently
         the same for both, and will continue to be the same under the Proposal. The
         discussion contained herein therefore applies to both licenses.

[38]   The decision of the United States Court of Appeals for the District of Columbia
         Circuit in NetCoalition v. SEC, 615 F.3d 525 (D.C. Cir. 2010) upheld the
         Commission's reliance upon competitive markets to set reasonable and equitably
         allocated fees for market data. "In fact, the legislative history indicates that the
         Congress intended that the market system evolve through the interplay of
         competitive forces as unnecessary regulatory restrictions are removed and that the
         SEC wield its regulatory power in those situations where competition may not be
         sufficient, such as in the creation of a consolidated transactional reporting
         system." NetCoalition I, at 535 (quoting H.R. Rep. No. 94-229, at 92 (1975), *as
         reprinted in* 1975 U.S.C.C.A.N. 321, 323) (internal quotation marks omitted). The
         court agreed with the Commission's conclusion that "Congress intended that
         competitive forces should dictate the services and practices that constitute the
         U.S. national market system for trading equity securities." Id. (quoting Securities
         Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74,771
         (December 9, 2008) (SR-NYSEArca-2006-21)).

unreasonable or unfair behavior."[39] Accordingly, "the existence of significant

competition provides a substantial basis for finding that the terms of an exchange's fee

proposal are equitable, fair, reasonable, and not unreasonably or unfairly

discriminatory."[40] Nasdaq believes that competitive forces constrain the price of top-of-

book products based on competition among exchanges for top-of-book data. The

proposed fee change is a direct response to this competition.

Nasdaq Basic and NLS provide choices to broker-dealers and other data

consumers by providing less than the quantum of data provided through the consolidated

tape feeds, but at a lower price. The same is true for the top-of-book proprietary products

offered by other exchanges. All of these top-of-book products are substitutes for each

other. Nasdaq Basic provides data derived from liquidity within the Nasdaq market

center and trades reported to the FINRA/Nasdaq TRF. The NYSE BQT feed

disseminates top-of-book information from the NYSE, NYSE American, NYSE Arca and

NYSE National exchanges.[41] The Cboe One Summary Feed provides data from the four

Cboe equities exchanges: BZX Exchange, BYX Exchange, EDGX Exchange and EDGA

Exchange.[42] These exchanges compete on price and quality for their top-of-book feeds.

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[39]   See Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR
         74770 (December 9, 2008) (SR-NYSEArca-2006-21).

[40]   Id.

[41]   See https://www.nyse.com/market-data/real-time/nyse-bqt.

[42]   See
         https://markets.cboe.com/us/equities/market_data_services/#:~:text=Cboe%20To
         p%20is%20a%20real,time%20on%20a%20Cboe%20book.&text=It%20is%20a%
         20real%2Dtime,time%20on%20a%20Cboe%20book We note that Cboe recently
         proposed a fee reduction for top-of-book data as well. See Securities Exchange
         Act Release No. 86670 (August 14, 2019), 84 FR 43207 (August 20, 2019) (SR-
         CboeBYX-2019-012).

NYSE[43] and Cboe,[44] like Nasdaq, offer enterprise licenses. Cboe touts its price in

promotional literature,[45] and reduced its fee for certain top-of-book customers just this

year.[46]

Top-of-book data can be used for many purposes—from a retail investor casually

surveying the market to sophisticated market participants using it for a variety of

applications, such as investment analysis, risk management, or portfolio valuation. The

value of that data depends on its quality and how well it approximates the NBBO, which

is determined by the amount of order flow attracted by the exchange—the more order

flow, the more quotes and trades, and the better the exchange data will be able to match

the NBBO.

Nasdaq's own experience with sales of top-of-book feeds underscores their

substitutability, as the customer whose feedback motivated this price change informed

Nasdaq that it would drop Nasdaq Basic in favor of a competing product unless a change

is made.

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[43]   See https://www.nyse.com/market-data/real-time/nyse-bqt.

[44]   See https://markets.cboe.com/us/equities/market_data_services/cboe_one/.

[45]   See
         https://markets.cboe.com/us/equities/market_data_services/#:~:text=Cboe%20To
         p%20is%20a%20real,time%20on%20a%20Cboe%20book.&text=It%20is%20a%
         20real%2Dtime,time%20on%20a%20Cboe%20book ("The Cboe One Feed is
         60% less expensive per professional user and more than 85% less expensive for
         an enterprise license for professional users and non-professional users when
         compared to a similar competitor exchange product.").

[46]   See Securities Exchange Act Release No. 88221 (February 14, 2020), 85 FR 9904
         (February 20, 2020) (SR-CboeBYX-2020-007) (stating that "the Exchange's top
         of book market data products are among the most competitively priced in the
         industry due to modest subscriber fees, and a lower Enterprise cap . . . ."). The
         filing included a table comparing its pricing to Nasdaq Basic.

The constraint imposed by direct competition on the price of top-of-book data is

further illustrated by proposals to reduce fees for three of the four top-of-book enterprise

licenses in the past several years: (i) the enterprise license for external distribution of

Nasdaq Basic;[47] (ii) the enterprise license for the external distribution of NLS;[48] and (iii)

the combined enterprise license for distribution of top-of-book and depth-of-book data.[49]

Nasdaq is not alone in lowering fees to compete against the other exchanges. Just this

year, Cboe proposed a fee reduction for its top-of-book data.[50]

As shown, Nasdaq competes against other exchanges in the sale of top-of-

book products. That competition constrains the price of top-of-book market data,

and provides a substantial basis for finding that the terms of an exchange's fee proposal

are equitable, fair, reasonable, and not unreasonably or unfairly discriminatory.

The Proposal Does Not Permit Unfair Discrimination

The Proposal is not unfairly discriminatory. As previously noted, the Nasdaq

Basic enterprise license subject to this Proposal was shown to be non-discriminatory and

otherwise consistent with the Act over six years ago.[51] The only difference between that

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[47]   See Securities Exchange Act Release No. 79456 (December 2, 2016), 81 FR
        88716 (December 8, 2016) (SR-NASDAQ-2016-162).

[48]   See Securities Exchange Act Release No. 77578 (April 11, 2016), 81 FR 22344
        (April 15, 2016) (SR-NASDAQ-2016-048).

[49]   See Securities Exchange Act Release No. 83751 (July 31, 2018), 83 FR 38428
        (August 6, 2018) (SR-Nasdaq-2018-058).

[50]   See Securities Exchange Act Release No. 86670 (August 14, 2019), 84 FR 43207
        (August 20, 2019) (SR-CboeBYX-2019-012).

[51]   See Securities Exchange Act Release No. 71507 (February 7, 2014), 79 FR 8763
        (February 13, 2014) (SR-NASDAQ-2014-011) (initially adopting the current
        enterprise license).

initial proposal and the change under consideration today is that the new license costs less

and more broker-dealers will be able to benefit from the lower prices. Enterprise licenses

in general have been widely recognized as an effective and not unfairly discriminatory

method of distributing market data. This applies to Nasdaq's enterprise licenses as well

as those offered by the NYSE and Cboe exchanges.[52]

The Act does not prohibit all distinctions among customers; only discrimination

that is unfair. It is not unfair discrimination to charge those Distributors that are able to

reach the largest audiences of retail investors a lower fee for incremental investors in

order to encourage the widespread distribution of market data.

The instant Proposal, like other enterprise licenses, will cause top-of-book data to

become more widely available to investors. It will save current enterprise license

purchasers the $210,000 per month difference between the current base fee of $365,000

and $155,000, plus $2 times the number of internal Professional Subscribers over 16,000.

Broker-dealers that do not currently purchase the license will nevertheless benefit

because the "break even" point—i.e., the point where the average per-Subscriber rate of a

licensee falls below per-Subscriber rate of $26—will fall from 14,038 to 5,962 internal

Professional Subscribers.[53] All purchasers of the proposed license will also be able to

save in administrative expenditures by eliminating monthly reporting requirements and

periodic review of such reports by compliance staff.

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[52]   See, e.g., Sections 123(c) and 147 (b); Securities Exchange Act Release No.
         82182 (November 30, 2017), 82 FR 57627 (December 6, 2017) (SR-NYSE-2017-
         60) (changing an enterprise fee for NYSE BBO and NYSE Trades).

[53]   See Securities Exchange Act Release No. 71507 (February 7, 2014), 79 FR 8763
         (February 13, 2014) (SR-NASDAQ-2014-011) (explaining that the $365,000
         monthly fee for all internal subscribers, divided by $26 monthly fee for each
         internal Subscriber, is equal to 14,038).

It is of particular importance now to expand the availability of top-of-book data. In recent months, retail investors have become increasingly interested in equities markets. Many of these retail investors will require advice and assistance from equity market professionals, and this license will enable broker-dealers that serve such clients to do so at a lower cost.

In addition, the proposed enterprise license will be subject to significant competition, and that competition will ensure that there is no unfair discrimination. Each Distributor will be able to accept or reject the license depending on whether it will or will not lower costs for that particular Distributor, and, if the license is not sufficiently competitive, the Exchange may lose market share.

For all of these reasons, the Proposal is not unreasonably 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. With respect to inter-market competition—the competition among SROs—the Exchange's ability to price market data products is constrained by competition among exchanges for top-of-book data. With respect to intra-market competition—the competition among consumers of exchange data—the Exchange expects the Proposal to promote competition through lower-cost data.

Intermarket Competition

As discussed in detail under Statutory Basis, Nasdaq competes with other exchanges in the sale of top-of-book products. In order to better compete for this segment of the market, the Exchange is proposing to reduce the cost of top-of-book data by lowering the enterprise license fee for internal Professional Subscribers. The

proposed price reduction will not cause any unnecessary or inappropriate burden on intermarket competition, as other exchanges and data vendors are free to lower their prices to better compete with the Exchange's offering. Nasdaq's main competitors, in particular, offer directly competing enterprise licenses for their top-of-book products, and are readily able to lower enterprise license fees in response to Nasdaq. Indeed, the Exchange's decision to lower its enterprise license fee was itself generated by the need to compete with other exchanges. The Proposal may in turn generate competitive responses from other exchanges, enhancing overall competition.

Intramarket Competition

The Proposal will not cause any unnecessary or inappropriate burden on intramarket competition. In fact, it will foster competition among broker-dealers by lowering costs for current licensees, while at the same time increasing the number of broker-dealers able to purchase that license. The current enterprise license, just like all of the enterprise licenses offered by Nasdaq's competitors, does not itself impose an unnecessary or inappropriate burden on intramarket competition. Relatively smaller broker-dealers have fewer internal Professional Subscribers and therefore operate with lower fixed costs, helping them compete with the larger broker-dealers. Moreover, the underlying fee of $26 per Professional Subscriber fee has itself been shown not to place an undue burden on competition, and, if that fee proves to be excessive, broker-dealers would be able to purchase top-of-book data from one of the Exchange's competitors offering a substitute product. For all of these reasons, the Proposal will not place any unnecessary or inappropriate burden on intramarket 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,[54] 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.

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

      Not applicable.

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[54]   See 15 U.S.C. § 78s(b)(3)(A)(ii).

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

       Not applicable.

11.   Exhibits

       1.   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-2020-086)

December __, 2020

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and
Immediate Effectiveness of Proposed Rule Change to Lower the Enterprise License Fee
for Broker-Dealers

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1], and

Rule 19b-4 thereunder,[2] notice is hereby given that on December 7, 2020, 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 lower the enterprise license fee for broker-dealers

distributing Nasdaq Basic to internal Professional Subscribers as set forth in the Equity 7

Pricing Schedule, Section 147, and the enterprise license fee for broker-dealers

distributing Nasdaq Last Sale ("NLS") to Professional Subscribers at Equity 7, Section

139.

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

[2]   17 CFR 240.19b-4.

The text of the proposed rule change is available on the Exchange's Website at

https://listingcenter.nasdaq.com/rulebook/nasdaq/rules, at the principal office of the

Exchange, and at the Commission's Public Reference Room.

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

Nasdaq proposes to lower the enterprise license fee for broker-dealers distributing

Nasdaq Basic to internal Professional Subscribers[3] from a two-tiered fee of $365,000,

plus $2 for any Professional Subscribers over 16,000, to a flat fee of $155,000. The

license would otherwise remain unchanged. The enterprise license fee for broker-dealers

distributing NLS to internal Professional Subscribers would be changed in a similar

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3   A "Professional Subscriber" is any Subscriber other than a Non-Professional
         Subscriber. A "Non-Professional Subscriber" is "a natural person who is not (i)
         registered or qualified in any capacity with the Commission, the Commodity
         Futures Trading Commission, any state securities agency, any securities exchange
         or association, or (ii) any commodities or futures contract market or association;
         engaged as an 'investment adviser' as that term is defined in Section 201(11) of
         the Investment Advisers Act of 1940 (whether or not registered or qualified under
         that Act); or (iii) employed by a bank or other organization exempt from
         registration under federal or state securities laws to perform functions that would
         require registration or qualification if such functions were performed for an
         organization not so exempt." See Equity 7 Pricing Schedule, Section 147(d)(4).

fashion: the two-tiered fee of $365,000, plus $2 for any Professional Subscribers over 16,000, would be replaced with a flat fee of $155,000. Both fee reductions are designed to help Nasdaq compete against other exchanges selling top-of-book[4] market data products.

The Exchange initially filed the proposed pricing changes on September 30, 2020 (SR-NASDAQ-2020-065). On November 23, 2020, the Exchange withdrew that filing and replaced it with SR-NASDAQ-2020-080. On December 3, 2020, the Exchange withdrew SR-NASDAQ-2020-080 and replaced it with SR-NASDAQ-2020-085. On December 7, 2020, the Exchange replaced SR-NASDAQ-2020-085 with this filing.

Nasdaq Basic and Nasdaq Last Sale

Nasdaq Basic is a real-time market data product that offers best bid and offer and last sale information for all U.S. exchange-listed securities based on liquidity within the Nasdaq market center and trades reported to the FINRA/Nasdaq Trade Reporting Facility ("TRF"). It is a subset of the "core" quotation and last sale data provided by securities information processors ("SIPs") distributing consolidated data pursuant to the CTA/CQ Plan and the UTP Plan. Nasdaq Basic is separated into three components, which may be purchased individually or in combination: (i) Nasdaq Basic for Nasdaq, which contains the best bid and offer on the Nasdaq market center and last sale transaction reports for Nasdaq and the FINRA/Nasdaq TRF for Nasdaq-listed stocks; (ii) Nasdaq Basic for NYSE, which covers NYSE-listed stocks, and (iii) Nasdaq Basic for NYSE American, which provides data on stocks listed on NYSE American and other listing venues that

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[4]   "Top-of-book" market data products provide last sale information, or both last sale and best bid and offer information to the user, without additional "depth of book" data. Both Nasdaq Last Sale and Nasdaq Basic are examples of top-of-book products.

disseminate quotes and trade reports on Tape B. The specific data elements available through Nasdaq Basic are: (i) Nasdaq Basic Quotes ("QBBO"), the best bid and offer and associated size available in the Nasdaq Market Center, as well as last sale transaction reports; (ii) Nasdaq opening and closing prices, as well as IPO and trading halt cross prices; and (iii) general exchange information, including systems status reports, trading halt information, and a stock directory.

NLS provides real-time last sale information for executions occurring within the Nasdaq market center and trades reported to the jointly-operated FINRA/Nasdaq TRF.[5] The NLS data feed, which provides price, volume and time of execution data for last sale transactions, includes transaction information for Nasdaq-listed stocks ("NLS for Nasdaq") and for stocks listed on NYSE, NYSE American, and other Tape B listing venues ("NLS for NYSE/NYSE American").[6] This is also a non-core product that provides a subset of the core last sale data distributed by the SIPs under the CTA/CQ Plan and the UTP Plan.[7]

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[5]   See Securities Exchange Act Release No. 57965 (June 16, 2008), 73 FR 35178 (June 20, 2008) (SR-NASDAQ-2006-060) (proposing NLS); see also Securities Exchange Act Release No. 57965 (June 16, 2008), 73 FR 35178 (June 20, 2008) (SR-NASDAQ-2006-060) (approving SR-NASDAQ-2006-060, as amended by Amendment Nos. 1 and 2, to implement NLS on a pilot basis).

[6]   See Securities Exchange Act Release No. 57965 (June 16, 2008), 73 FR 35178 (June 20, 2008) (SR-NASDAQ-2006-060).

[7]   See Securities Exchange Act Release No. 34-82723 (February 15, 2018), 83 FR 7812 (February 22, 2018) (SR-NASDAQ-2018-010).

Current Top-of-Book Enterprise Licenses for Internal Professional Subscribers

Broker-dealers may purchase Nasdaq Basic, or Derived Data[8] therefrom, for internal professional use for a monthly per-Subscriber fee of $26,[9] or, in lieu of a per-Subscriber fee, purchase an enterprise license for the internal distribution of Nasdaq Basic to Professional Subscribers for $365,000, plus $2 for any Professional Subscribers over 16,000 if an external Distributor[10] controls the display of the product.[11] The license also allows the broker-dealer to display NLS data for its own stock price and that of up to ten of its competitors or peers on its internal website. Separate licenses must be purchased if more than one external Distributor controls display of the product. The license excludes Distributor fees, which are $1,500 per month for internal distribution.[12]

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[8]   "Derived Data" is "pricing data or other information that is created in whole or in part from Nasdaq information; it cannot be reverse engineered to recreate Nasdaq information, or be used to create other data that is recognizable as a reasonable substitute for Nasdaq information." See Equity 7, Section 147(d)(6).

[9]   See Equity 7 Pricing Schedule, Section 147(b)(1). The $26 monthly per-Subscriber fee consists of monthly charges of $13 for Nasdaq Basic for Nasdaq, $6.50 for Nasdaq Basic for NYSE, and $6.50 for Nasdaq Basic for NYSE MKT.

[10]   "Distributor" refers to "any entity that receives Nasdaq Basic data directly from Nasdaq or indirectly through another entity and then distributes it to one or more Subscribers. (A) "Internal Distributors" are Distributors that receive Nasdaq Basic data and then distribute that data to one or more Subscribers within the Distributor's own entity. (B) "External Distributors" are Distributors that receive Nasdaq Basic data and then distribute that data to one or more Subscribers outside the Distributor's own entity. See Equity 7, Section 147(d)(1).

[11]   The additional $2 fee was introduced to defray additional costs incurred by Nasdaq when distributing Nasdaq Basic through an External Distributor that controls display of the product. See Securities Exchange Act Release No. 71507 (February 7, 2014), 79 FR 8763 (February 13, 2014) (SR-NASDAQ-2014-011).

[12]   See Equity 7 Pricing Schedule, Section 147(c)(1).

Although NLS was initially designed for general distribution to individual investors,[13] a broker-dealer may elect to distribute this data to its registered representatives through an employer-provided workstation or software application. To allow for such usage, Nasdaq adopted a fee schedule for "specialized usage" of NLS not associated with distribution of data to the general investing public. In general, broker-dealers paying for specialized usage track either the number of Subscribers receiving data or the number of queries for the data, and pay the corresponding fee.

As an alternative to per-Subscriber or per-query fees, however, a broker-dealer may purchase an enterprise license for internal Subscribers to receive NLS, or Derived Data therefrom, through an external Distributor that controls display of the product. The fee is $365,000 per month for up to 16,000 internal Subscribers, plus $2 for each additional internal Subscriber over 16,000, the same fee structure as the enterprise license for the internal distribution of Nasdaq Basic to Professionals. A separate enterprise license must be purchased for each external Distributor that controls the display of the product. The enterprise license does not include distributor fees.

Proposed Fee Reduction for Nasdaq Basic and NLS Enterprise Licenses

Nasdaq proposes to reduce its enterprise license fees for Nasdaq Basic and NLS to bolster its ability to compete effectively against other exchanges selling top-of-book market data products, which are substitutes for Nasdaq Basic and NLS. Nasdaq faces vigorous competition for the sale of this data, including from the "Best Quote and Trade"

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[13]   See Securities Exchange Act Release No. 82723 (February 15, 2018), 83 FR 7812 (February 22, 2018) (SR-Nasdaq-2018-010) (explaining that "NLS was designed to enable market-data 'distributors to provide free access to the data contained in NLS to millions of individual investors via the internet and television' and was expected to 'increase the availability of Nasdaq proprietary market data to individual investors.'").

("BQT") product sold by the NYSE-affiliated exchanges and the Cboe One Summary Feed.

Nasdaq received customer feedback requesting that it lower the price of the professional licenses for its top-of-book products. This feedback prompted a reexamination of Nasdaq's four enterprise licenses for top-of-book data: (i) the license for internal Professional distribution of Nasdaq Basic to Professionals for $365,000 per month (the subject of this proposal); (ii) the license for external distribution of Nasdaq Basic to Professionals and Non-Professionals in the context of the brokerage relationship for $100,000 per month;[14] (iii) the license for external distribution of NLS data to the General Investing Public for Display Usage for $41,500;[15] and (iv) the license for internal and external distribution of top-of-book[16] and depth-of-book[17] products for $500,000 with a twelve-month commitment, or a month-to-month fee of $600,000.[18]

Fees for three of these four licenses have been reduced in the last several years. In 2016, Nasdaq lowered the fee for external distribution of Nasdaq Basic in the context of the brokerage relationship from $350,000 to $100,000.[19] Also in 2016, the Exchange reduced the monthly fee for the external distribution of NLS data from $50,000 to

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[14]   See Equity 7 Pricing Schedule, Section 147(b)(5).

[15]   See Equity 7 Pricing Schedule, Section 139(b)(4)

[16]   The top-of-book products distributed under this license are Nasdaq Basic, NLS and NLS Plus.

[17]   The depth-of-book products distributed under this license are TotalView and Level 2.

[18]   See Equity 7 Pricing Schedule, Section 132.

[19]   See Securities Exchange Act Release No. 79456 (December 2, 2016), 81 FR 88716 (December 8, 2016) (SR-NASDAQ-2016-162).

$41,500.[20] In 2018, Nasdaq introduced an enterprise license that substantially lowered

the cost of purchasing top-of-book and depth-of-book data together by replacing three

separate enterprise licenses—$365,000 for internal distribution of Nasdaq Basic,

$100,000 for external distribution in a brokerage relationship, and $500,000 for

distribution of depth-of-book products—with a single license for a monthly fee of

$500,000, with a twelve-month service commitment.[21]

In light of customer feedback and Nasdaq's history of lowering fees for top-of-

book products, Nasdaq determined that the proposed fee will better position it to operate

in the current competitive environment. Fees for Nasdaq's other three enterprise licenses

have been lowered over the course of the last four years, while the license fee for internal

professionals has not changed since the enterprise license was introduced in 2014.[22]

Nasdaq believes that this fourth fee reduction will allow it to continue to compete in the

market for top-of-book products.

The new enterprise license fee will substantially lower total and per-Subscriber

costs for broker-dealers with approximately 5,962 or more internal Professional

Subscribers. All current enterprise license purchasers will save the difference between

the current base fee of $365,000 and the proposed fee of $155,000 (which is $210,000 per

month), plus $2 times the number of internal Professional Subscribers over 16,000. A

broker-dealer with 17,000 internal Professional Subscribers, for example, would save a

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[20]   See Securities Exchange Act Release No. 77578 (April 11, 2016), 81 FR 22344
        (April 15, 2016) (SR-NASDAQ-2016-048).

[21]   See Securities Exchange Act Release No. 83751 (July 31, 2018), 83 FR 38428
        (August 6, 2018) (SR-Nasdaq-2018-058).

[22]   See Securities Exchange Act Release No. 71507 (February 7, 2014), 79 FR 8763
        (February 13, 2014) (SR-NASDAQ-2014-011).

total of $212,000 per month as compared to the current license,[23] reducing average per-

Subscriber monthly charges from $21.60[24] to $9.12.[25]

In addition, a number of the mid-size broker-dealers that currently have too few

professional subscribers to benefit from the license would be able to achieve substantial

savings at the new, lower rate. The "break even" point—i.e., the point at which the

average per-Subscriber rate of a licensee falls below the per-Subscriber rate of $26—is

currently 14,038 internal Professional Subscribers.[26] Under the new fee schedule, broker-

dealers with as few as 5,962 internal Professional Subscribers would be able to save

money.[27] A hypothetical broker-dealer with 10,000 internal Professional Subscribers

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[23]   The broker-dealer would save the difference between $365,000 and $155,000
        ($210,000), plus an additional $2,000 for the 1,000 Professional Subscribers over
        16,000.

[24]   The hypothetical current average per-Subscriber monthly charge is estimated as
        the current fee of $365,000 plus $2,000 for the 1,000 Professional Subscribers
        over 16,000 divided by 17,000 internal Professional Subscribers.

[25]   The hypothetical per-Subscriber monthly charge for the Proposal is estimated as
        the flat fee of $155,000 divided by 17,000 internal Professional Subscribers.

[26]   See Securities Exchange Act Release No. 71507 (February 7, 2014), 79 FR 8763
        (February 13, 2014) (SR-NASDAQ-2014-011) (explaining that the $365,000
        monthly fee for all internal subscribers, divided by $26 monthly fee for each
        internal Subscriber, is equal to 14,038).

[27]   This estimated cutoff point is calculated as the Proposed license fee of $155,000
        divided by the per-Subscriber rate of $26 per month.

would be able to save $105,000 per month,[28] reducing per-Subscriber fees from $26[29] to $15.50.[30]

In addition to lowering Nasdaq's fees, the proposed rule change will allow users to lower internal administrative costs by eliminating the need to report monthly usage. Nasdaq does not have sufficient information about broker-dealer operations and costs to accurately estimate these savings, but believes that monthly savings in administrative expenditures—as well as the improved ability to project future expenditures achieved by eliminating audit liability for errors in reporting usage—to be substantial.

Staff of the Commission's Division of Trading and Markets have indicated that self-regulatory organizations ("SROs") proposing fee changes should provide "the projected number of purchasers (including members, as well as non-members) of any new or modified product or service . . . ."[31] Prior to the proposed change, two customers had purchased the Nasdaq Basic Professional Subscriber enterprise license for $365,000, plus $2 for any Professional Subscriber over 16,000 if an external Distributor controls the display of the product.[32] Of these two customers, one informed Nasdaq that it would abandon the Nasdaq license in favor of a license offered by one of its two major

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[28]   Savings are calculated as follows: 10,000 internal Professional Subscribers multiplied by $26 per-Subscriber equals $260,000. The difference between $260,000 and $155,000 is $105,000.

[29]   See Equity 7 Pricing Schedule, Section 147(b)(1).

[30]   This figure is calculated as the proposed flat fee of $155,000 divided by 10,000 internal Professional Subscribers.

[31]   See Division of Trading and Markets, U.S. Securities and Exchange Commission, "Staff Guidance on SRO Filings Related to Fees (May 21, 2019), available at https://www.sec.gov/tm/staff-guidance-sro-rule-filings-fees.

[32]   No customers purchased the comparable license for NLS, discussed above.

competitors, Cboe and NYSE. After the proposed license fee was instituted on October

1, 2020, the complaining customer decided to retain the license. Nasdaq is also in

discussions with additional customers to purchase the license, including both customers

that do not currently purchase Nasdaq Basic, and customers that do purchase Nasdaq

Basic, but not through an enterprise license. To date, however, no new firms have

purchased the enterprise license.

While any broker-dealer with approximately 5,962 or more internal Subscribers

will be able to benefit from the proposed license, Nasdaq does not know, and is unable to

ascertain with precision, the number of internal Professional Subscribers utilized by

various broker-dealers, nor can it anticipate the actions of its competitors in response to

the lower enterprise license fee, and therefore cannot project precisely the number of

expected purchasers. Nevertheless, judging from expressions of interest and Nasdaq's

experience in the financial services industry, Nasdaq estimates that between fifteen and

twenty broker-dealers worldwide may elect to purchase the license.[33]

2.   Statutory Basis

The Exchange believes that its Proposal is consistent with Section 6(b) of the

Act,[34] in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,[35]

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.

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[33]   This estimate is based on customer conversations and the experience and
         judgment of Nasdaq staff.

[34]   See 15 U.S.C. § 78f(b).

[35]   See 15 U.S.C. § 78f(b)(4) and (5).

As a preliminary manner, the statutory basis for the current Nasdaq Basic and

NLS enterprise licenses have already been explained in prior filings.[36] The Proposal

lowers fees for enterprise licenses that have already been shown to be consistent with

Section 6(b) of the Act, and this analysis therefore focuses on the new, lower fees.[37]

The Proposal is an Equitable Allocation of Reasonable Dues, Fees and Other Charges

As the Commission and courts[38] have recognized, "[i]f competitive forces are

operative, the self-interest of the exchanges themselves will work powerfully to constrain

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[36]   See, e.g., Securities Exchange Act Release No. 81697 (September 25, 2017), 82 FR 45639 (September 29, 2017) (SR-NASDAQ-2017-095); Securities Exchange Act Release No. 72620 (July 16, 2014), 79 FR 42572 (July 22, 2014) (SR-NASDAQ-2014-070); Securities Exchange Act Release No. 72153 (May 12, 2014), 79 FR 28575 (May 16, 2014) (SR-NASDAQ-2014-045); Securities Exchange Act Release No. 71507 (February 7, 2014), 79 FR 8763 (February 13, 2014) (SR-NASDAQ-2014-011); see Securities Exchange Act Release No. 82723 (February 15, 2018), 83 FR 7812 (February 22, 2018) (SR-Nasdaq-2018-010).

[37]   The statutory bases for both the Nasdaq Basic and NLS enterprise licenses are identical. Both are top-of-book products sold to broker-dealers for internal distribution to Professionals. The fee structure and use requirements are currently the same for both, and will continue to be the same under the Proposal. The discussion contained herein therefore applies to both licenses.

[38]   The decision of the United States Court of Appeals for the District of Columbia Circuit in NetCoalition v. SEC, 615 F.3d 525 (D.C. Cir. 2010) upheld the Commission's reliance upon competitive markets to set reasonable and equitably allocated fees for market data. "In fact, the legislative history indicates that the Congress intended that the market system evolve through the interplay of competitive forces as unnecessary regulatory restrictions are removed and that the SEC wield its regulatory power in those situations where competition may not be sufficient, such as in the creation of a consolidated transactional reporting system." NetCoalition I, at 535 (quoting H.R. Rep. No. 94-229, at 92 (1975), as reprinted in 1975 U.S.C.C.A.N. 321, 323) (internal quotation marks omitted). The court agreed with the Commission's conclusion that "Congress intended that competitive forces should dictate the services and practices that constitute the U.S. national market system for trading equity securities." Id. (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74,771 (December 9, 2008) (SR-NYSEArca-2006-21)).

unreasonable or unfair behavior."[39] Accordingly, "the existence of significant
competition provides a substantial basis for finding that the terms of an exchange's fee
proposal are equitable, fair, reasonable, and not unreasonably or unfairly
discriminatory."[40] Nasdaq believes that competitive forces constrain the price of top-of-
book products based on competition among exchanges for top-of-book data. The
proposed fee change is a direct response to this competition.

Nasdaq Basic and NLS provide choices to broker-dealers and other data
consumers by providing less than the quantum of data provided through the consolidated
tape feeds, but at a lower price. The same is true for the top-of-book proprietary products
offered by other exchanges. All of these top-of-book products are substitutes for each
other. Nasdaq Basic provides data derived from liquidity within the Nasdaq market
center and trades reported to the FINRA/Nasdaq TRF. The NYSE BQT feed
disseminates top-of-book information from the NYSE, NYSE American, NYSE Arca and
NYSE National exchanges.[41] The Cboe One Summary Feed provides data from the four
Cboe equities exchanges: BZX Exchange, BYX Exchange, EDGX Exchange and EDGA
Exchange.[42] These exchanges compete on price and quality for their top-of-book feeds.

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[39]   See Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR
        74770 (December 9, 2008) (SR-NYSEArca-2006-21).

[40]   Id.

[41]   See https://www.nyse.com/market-data/real-time/nyse-bqt.

[42]   See
        https://markets.cboe.com/us/equities/market_data_services/#:~:text=Cboe%20To
        p%20is%20a%20real,time%20on%20a%20Cboe%20book.&text=It%20is%20a%
        20real%2Dtime,time%20on%20a%20Cboe%20book We note that Cboe recently
        proposed a fee reduction for top-of-book data as well. See Securities Exchange
        Act Release No. 86670 (August 14, 2019), 84 FR 43207 (August 20, 2019) (SR-
        CboeBYX-2019-012).

NYSE[43] and Cboe,[44] like Nasdaq, offer enterprise licenses. Cboe touts its price in promotional literature,[45] and reduced its fee for certain top-of-book customers just this year.[46]

Top-of-book data can be used for many purposes—from a retail investor casually surveying the market to sophisticated market participants using it for a variety of applications, such as investment analysis, risk management, or portfolio valuation. The value of that data depends on its quality and how well it approximates the NBBO, which is determined by the amount of order flow attracted by the exchange—the more order flow, the more quotes and trades, and the better the exchange data will be able to match the NBBO.

Nasdaq's own experience with sales of top-of-book feeds underscores their substitutability, as the customer whose feedback motivated this price change informed Nasdaq that it would drop Nasdaq Basic in favor of a competing product unless a change is made.

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[43]   See https://www.nyse.com/market-data/real-time/nyse-bqt.

[44]   See https://markets.cboe.com/us/equities/market_data_services/cboe_one/.

[45]   See
https://markets.cboe.com/us/equities/market_data_services/#:~:text=Cboe%20To
p%20is%20a%20real,time%20on%20a%20Cboe%20book.&text=It%20is%20a%
20real%2Dtime,time%20on%20a%20Cboe%20book ("The Cboe One Feed is
60% less expensive per professional user and more than 85% less expensive for
an enterprise license for professional users and non-professional users when
compared to a similar competitor exchange product.").

[46]   See Securities Exchange Act Release No. 88221 (February 14, 2020), 85 FR 9904
(February 20, 2020) (SR-CboeBYX-2020-007) (stating that "the Exchange's top
of book market data products are among the most competitively priced in the
industry due to modest subscriber fees, and a lower Enterprise cap . . . ."). The
filing included a table comparing its pricing to Nasdaq Basic.

The constraint imposed by direct competition on the price of top-of-book data is further illustrated by proposals to reduce fees for three of the four top-of-book enterprise licenses in the past several years: (i) the enterprise license for external distribution of Nasdaq Basic;[47] (ii) the enterprise license for the external distribution of NLS;[48] and (iii) the combined enterprise license for distribution of top-of-book and depth-of-book data.[49] Nasdaq is not alone in lowering fees to compete against the other exchanges. Just this year, Cboe proposed a fee reduction for its top-of-book data.[50]

As shown, Nasdaq competes against other exchanges in the sale of top-of-book products. That competition constrains the price of top-of-book market data, and provides a substantial basis for finding that the terms of an exchange's fee proposal are equitable, fair, reasonable, and not unreasonably or unfairly discriminatory.

The Proposal Does Not Permit Unfair Discrimination

The Proposal is not unfairly discriminatory. As previously noted, the Nasdaq Basic enterprise license subject to this Proposal was shown to be non-discriminatory and otherwise consistent with the Act over six years ago.[51] The only difference between that

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[47]   See Securities Exchange Act Release No. 79456 (December 2, 2016), 81 FR 88716 (December 8, 2016) (SR-NASDAQ-2016-162).

[48]   See Securities Exchange Act Release No. 77578 (April 11, 2016), 81 FR 22344 (April 15, 2016) (SR-NASDAQ-2016-048).

[49]   See Securities Exchange Act Release No. 83751 (July 31, 2018), 83 FR 38428 (August 6, 2018) (SR-Nasdaq-2018-058).

[50]   See Securities Exchange Act Release No. 86670 (August 14, 2019), 84 FR 43207 (August 20, 2019) (SR-CboeBYX-2019-012).

[51]   See Securities Exchange Act Release No. 71507 (February 7, 2014), 79 FR 8763 (February 13, 2014) (SR-NASDAQ-2014-011) (initially adopting the current enterprise license).

initial proposal and the change under consideration today is that the new license costs less and more broker-dealers will be able to benefit from the lower prices. Enterprise licenses in general have been widely recognized as an effective and not unfairly discriminatory method of distributing market data. This applies to Nasdaq's enterprise licenses as well as those offered by the NYSE and Cboe exchanges.[52]

The Act does not prohibit all distinctions among customers; only discrimination that is unfair. It is not unfair discrimination to charge those Distributors that are able to reach the largest audiences of retail investors a lower fee for incremental investors in order to encourage the widespread distribution of market data.

The instant Proposal, like other enterprise licenses, will cause top-of-book data to become more widely available to investors. It will save current enterprise license purchasers the $210,000 per month difference between the current base fee of $365,000 and $155,000, plus $2 times the number of internal Professional Subscribers over 16,000. Broker-dealers that do not currently purchase the license will nevertheless benefit because the "break even" point—i.e., the point where the average per-Subscriber rate of a licensee falls below per-Subscriber rate of $26—will fall from 14,038 to 5,962 internal Professional Subscribers.[53] All purchasers of the proposed license will also be able to save in administrative expenditures by eliminating monthly reporting requirements and periodic review of such reports by compliance staff.

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[52]   See, e.g., Sections 123(c) and 147 (b); Securities Exchange Act Release No. 82182 (November 30, 2017), 82 FR 57627 (December 6, 2017) (SR-NYSE-2017-60) (changing an enterprise fee for NYSE BBO and NYSE Trades).

[53]   See Securities Exchange Act Release No. 71507 (February 7, 2014), 79 FR 8763 (February 13, 2014) (SR-NASDAQ-2014-011) (explaining that the $365,000 monthly fee for all internal subscribers, divided by $26 monthly fee for each internal Subscriber, is equal to 14,038).

It is of particular importance now to expand the availability of top-of-book data. In recent months, retail investors have become increasingly interested in equities markets. Many of these retail investors will require advice and assistance from equity market professionals, and this license will enable broker-dealers that serve such clients to do so at a lower cost.

In addition, the proposed enterprise license will be subject to significant competition, and that competition will ensure that there is no unfair discrimination. Each Distributor will be able to accept or reject the license depending on whether it will or will not lower costs for that particular Distributor, and, if the license is not sufficiently competitive, the Exchange may lose market share.

For all of these reasons, the Proposal is not unreasonably 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. With respect to inter-market competition—the competition among SROs—the Exchange's ability to price market data products is constrained by competition among exchanges for top-of-book data. With respect to intra-market competition—the competition among consumers of exchange data—the Exchange expects the Proposal to promote competition through lower-cost data.

Intermarket Competition

As discussed in detail under Statutory Basis, Nasdaq competes with other exchanges in the sale of top-of-book products. In order to better compete for this segment of the market, the Exchange is proposing to reduce the cost of top-of-book data by lowering the enterprise license fee for internal Professional Subscribers. The

proposed price reduction will not cause any unnecessary or inappropriate burden on intermarket competition, as other exchanges and data vendors are free to lower their prices to better compete with the Exchange's offering. Nasdaq's main competitors, in particular, offer directly competing enterprise licenses for their top-of-book products, and are readily able to lower enterprise license fees in response to Nasdaq. Indeed, the Exchange's decision to lower its enterprise license fee was itself generated by the need to compete with other exchanges. The Proposal may in turn generate competitive responses from other exchanges, enhancing overall competition.

Intramarket Competition

The Proposal will not cause any unnecessary or inappropriate burden on intramarket competition. In fact, it will foster competition among broker-dealers by lowering costs for current licensees, while at the same time increasing the number of broker-dealers able to purchase that license. The current enterprise license, just like all of the enterprise licenses offered by Nasdaq's competitors, does not itself impose an unnecessary or inappropriate burden on intramarket competition. Relatively smaller broker-dealers have fewer internal Professional Subscribers and therefore operate with lower fixed costs, helping them compete with the larger broker-dealers. Moreover, the underlying fee of $26 per Professional Subscriber fee has itself been shown not to place an undue burden on competition, and, if that fee proves to be excessive, broker-dealers would be able to purchase top-of-book data from one of the Exchange's competitors offering a substitute product. For all of these reasons, the Proposal will not place any unnecessary or inappropriate burden on intramarket competition.

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

No written comments were either solicited or received.

III.   <u>Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action</u>

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.[54]

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.   <u>Solicitation of Comments</u>

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:

<u>Electronic comments</u>:

- Use the Commission's Internet comment form (http://www.sec.gov/rules/sro.shtml); or

- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NASDAQ-2020-086 on the subject line.

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[54]   15 U.S.C. 78s(b)(3)(A)(ii).

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-2020-086. 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-2020-086 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.[55]

> J. Matthew DeLesDernier
> Assistant Secretary

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[55]   17 CFR 200.30-3(a)(12).

EXHIBIT 5

Deleted text is [bracketed]. New text is <u>underlined</u>.

The Nasdaq Stock Market LLC Rules

Equity Rules

Equity 7: Pricing Schedule

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Section 139. Nasdaq Last Sale and Nasdaq Last Sale Plus Data Feeds

(a) – (b) No change

(c) Distribution Models for Specialized Usage. Distributors that are not eligible for one of the distribution models set forth in subsection (b) must select from any of the fee schedules described in this subsection.

    (1) – (2) No change

    (3) As an alternative to (c)(1) and (c)(2), a broker-dealer may purchase an enterprise license for internal Subscribers to receive Nasdaq Last Sale or Derived Data therefrom. The fee will be <u>$155,000</u>[$365,000] per month; [provided, however, that if the broker-dealer obtains the license with respect to usage of Nasdaq Last Sale provided by an external Distributor that controls display of the product, the fee will be $365,000 per month for up to 16,000 internal Subscribers, plus $2 for each additional internal Subscriber over 16,000; and]provided [further] that the broker-dealer must obtain a separate enterprise license for each external Distributor that controls display of the product if it wishes such external Distributor to be covered by an enterprise license rather than per-Subscriber fees. The enterprise license is in addition to the Distributor Fee listed in (d).

    (4) No change

(d) – (f)

* * * * *

Section 147. Nasdaq Basic

(a) No change

(b) User Fees

    (1) – (3) No change

(4) As an alternative to (b)(1), a broker-dealer may purchase an enterprise license for internal Professional Subscribers to receive Nasdaq Basic for Nasdaq, Nasdaq Basic for NYSE, and Nasdaq Basic for NYSE MKT, or Derived Data therefrom. The fee will be $155,000[$365,000] per month; [provided, however, that if the broker-dealer obtains the license with respect to usage of Nasdaq Basic provided by an External Distributor that controls display of the product, the fee will be $365,000 per month for up to 16,000 internal Professional Subscribers, plus $2 for each additional internal Professional Subscriber over 16,000; and]provided [further]that the broker-dealer must obtain a separate enterprise license for each External Distributor that controls display of the product if it wishes such External Distributor to be covered by an enterprise license rather than per-Subscriber fees. A broker-dealer that purchases an enterprise license under this provision may also receive, at no additional charge, access to Nasdaq Last Sale data (as described in Equity 7, Section 139) for its own stock price and the stock price of up to ten of its competitors or peers, for display use on the broker-dealer's internal website. The enterprise license is in addition to the Distributor Fee listed in (c)(1).

(5) – (6) No change

(c) – (d) No change

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