

Required fields are shown with yellow backgrounds and asterisks.

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) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			Rule		
Pilot	Extension of Time Period for Commission Action *	Date Expires *	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<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) *	Section 806(e)(2) *
<input type="checkbox"/>	<input type="checkbox"/>
	Section 3C(b)(2) *
	<input type="checkbox"/>

Exhibit 2 Sent As Paper Document	Exhibit 3 Sent As Paper Document
<input type="checkbox"/>	<input type="checkbox"/>

**Description**

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

A proposal to withdraw the QView product from sale.

**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 *	Last Name *
Daniel	Cantu
Title *	Senior Associate General Counsel
E-mail *	Daniel.Cantu@nasdaq.com
Telephone *	Fax
(301) 978-8469	

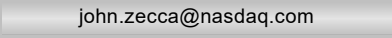
**Signature**

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	12/14/2020	EVP and Chief Legal Counsel
By	John Zecca	
	(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 EFFS website.

**Form 19b-4 Information \***

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

**Exhibit 1 - Notice of Proposed Rule Change \***

Add Remove View

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

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

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**

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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 withdraw the Exchange’s QView product from sale.

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 5, 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:

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

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

<sup>2</sup> 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

The purpose of the proposed rule change is to withdraw QView from sale due to low customer demand.

**QView**

QView is a web-based user interface that displays execution and open order information in a user-friendly format.<sup>3</sup> It is a type of dashboard that displays information regarding the number of executions and their dollar value, executions by symbol, total volume, whether an order has been added or removed, whether the order is for a buy or a sell, whether an order is open, and information related to routing strategies. Information can be tracked in real-time and through historical order and execution summaries, and is available on a daily or a monthly basis.

As a dashboard, QView presents information in a convenient and easy-to-read format, and provides analytic tools to help the user understand that information. It is not, however, the only source for the underlying data, which is provided by TradeInfo.<sup>4</sup> TradeInfo is also a web-based tool, and presents the member with detailed data on the status of orders, executions, cancels and breaks, generates reports for download, and allows the member to cancel or correct open orders. QView and TradeInfo are designed

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<sup>3</sup> See Securities Exchange Act Release No. 65851 (November 30, 2011), 76 FR 75924 (December 5, 2011) (SR-Nasdaq-2011-157) (introducing the QView product); see also Securities Exchange Act Release No. 66636 (March 21, 2012), 77 FR 18280 (March 27, 2012) (SR-NASDAQ-2012-035) (introducing QView fees). For additional technical details on QView as well as screen shots, see QView Order and Execution Management & Latency Optics, available at <http://www.nasdaqtrader.com/Trader.aspx?id=QView>.

<sup>4</sup> See Equity 7, Section 115(f).

to work together. QView provides summary information, and TradeInfo provides the underlying data that supports that summary information. TradeInfo is complementary as part of the Nasdaq workstation, or may be purchased separately for a fee of \$95 per user per month.

QView is offered with the Latency Optics add-on service, which compares three types of latency to Nasdaq averages: (i) the roundtrip time between order entry and receipt of acknowledgement; (ii) roundtrip time between order entry and the time that the order appears on the TotalView ITCH multicast feed; and (iii) the roundtrip time between the entry of an order cancellation request and the time that the message in reply is received by the client device.<sup>5</sup> Data is displayed graphically and in table format, and may be segregated by MPID or ports.

### **Proposed Withdrawal**

Nasdaq proposes to withdraw QView because of low customer demand. QView was introduced in December 2011,<sup>6</sup> and, owing to the age of the product, the seventeen servers required to support QView will reach the end of their useful life at the end of this year. In light of low customer demand—only 10 firms currently purchase QView, of which only two purchase the Latency Optics add-on service, and further sales do not

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<sup>5</sup> The user of TradeInfo will be able to calculate these latencies for itself, as the underlying transaction information is timestamped.

<sup>6</sup> See Securities Exchange Act Release No. 65851 (November 30, 2011), 76 FR 75924 (December 5, 2011) (SR-Nasdaq-2011-157) (introducing the QView product); see also Securities Exchange Act Release No. 66636 (March 21, 2012), 77 FR 18280 (March 27, 2012) (SR-NASDAQ-2012-035) (introducing QView fees); Securities Exchange Act Release No. 68617 (January 10, 2013), 78 FR 3480 (January 16, 2013) (SR-Nasdaq-2013-005) (introducing the Latency Optics add-on).

appear to be forthcoming<sup>7</sup>—the additional investment required to replace these servers is not economically viable.

Nasdaq does not expect the withdrawal of QView to significantly impact any of its current customers. As noted, QView (including Latency Optics) is a dashboard that summarizes information in a convenient, user-friendly format, but the underlying data supporting the QView display will remain available on TradeInfo. Nasdaq has discussed its proposed withdrawal with each of the 10 current purchasers, and none indicated that it was essential for their business. Indeed, all 10 purchasers indicated that their actual usage was low, and did not expect to continue using the product. Nasdaq publicly announced its intent to withdraw QView as of December 31, 2020, in a Data News publication issued on October 14, 2020,<sup>8</sup> and received no feedback concerning additional demand for the product. There will be no interruption in the ability of current customers to see the status of orders, executions, cancels and breaks, generate reports for download, or cancel or correct open orders, as all of the data presented in QView will remain

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<sup>7</sup> Staff Guidance on SRO Filings Related to Fees states that the Purpose section should include “the projected number of purchasers (including members, as well as non-members) of any new or modified product or service and the expected number of purchasers likely to be subject to a new fee or pricing tier, including members and non-members. . . .” See Division of Trading and Markets, U.S. Securities and Exchange Commission, “Staff Guidance on SRO Filings Related to Fees” (May 21, 2019) (“Staff Guidance”), available at <https://www.sec.gov/tm/staff-guidance-sro-rule-filings-fees>. It also states that “[w]hen a Fee Filing changes an existing fee, the purpose section also should compare the projected number of purchasers likely to be subject to the proposed fee following the proposed fee change and the expected cost of the proposed fee for different types of firms. . . .” As indicated, there are 10 firms that currently purchase QView, of which two firms purchase the Latency Optics add-on service, and no new firms are projected to purchase this product, even if it were not withdrawn.

<sup>8</sup> See Nasdaq Data News No. 2020-9 (October 14, 2020), available at <https://www.nasdaqtrader.com/TraderNews.aspx?id=dn2020-9>.

available through TradeInfo. The “dashboard” functions of QView that provide a user-friendly interface and summary statistics can be replaced by the member with any number of similar, commercially available dashboards or other products that summarize data.

QView was designed to provide summary statistics on trade executions to broker-dealers in a convenient, user-friendly format. All of the data needed to generate that summary information, including the Latency Optics add-on service,<sup>9</sup> will remain available to Nasdaq customers via TradeInfo, which allows users to generate reports and download the data using Microsoft Excel. Once the user has the data on Excel, the user would be able to use commercially available programs or proprietary software to generate the charts, graphs and summary statistics previously generated by QView. All of the 10 current QView customers already have access to TradeInfo.<sup>10</sup>

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<sup>9</sup> See supra note 5.

<sup>10</sup> One of the two current purchasers of the Latency Optics add-on service indicated that it intends to obtain similar information through Trading Insights. Nasdaq Trading Insights is an optional market data service that employs advanced analytics and machine learning to analyze order activity. It is comprised of three active market data components: (a) Missed Opportunity--Liquidity; (b) Missed Opportunity--Latency; and (c) Peer Benchmarking. The Missed Opportunity--Liquidity component identifies when an order from a market participant could have been increased in size, resulting in the execution of additional shares. This component is designed to provide information to a market participant interested in gaining insight into hidden pockets of liquidity. The Missed Opportunity--Latency component identifies the amount of time by which an otherwise marketable order missed execution. This component is designed to provide information to market participants interested in optimizing their models and trading patterns. The Peer Benchmarking component ranks the quality of a market participant's trading performance against its peers, allowing market participants to view their relative trading performance by port, with each port ranked independently by each metric against the ports of peer firms trading on the Exchange. See Equity 7, Section 146; Securities Exchange Act Release No. 80856 (June 5, 2017), 82 FR 26820 (June 9, 2017) (SR-NASDAQ-2017-051). Trading Insights can be used by the customer to place the latency information that

Withdrawal of QView will not have a different impact on different types of market participants.<sup>11</sup> All of the basic data needed for current customers to replicate the product and manage trading activity and monitor latency is available through TradeInfo and Trading Insights. Current customers were unconcerned with withdrawal, and indicated that they did not intend to continue using the product. Broker-dealers that do not currently purchase QView will not be affected by its absence. No other market participants will be affected, as the product was designed exclusively for broker-dealers that manage order flow.

Thus, Nasdaq proposes to withdraw QView based on lack of demand, and does not expect the withdrawal to negatively impact current customers, based on their feedback.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>12</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>13</sup> in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national

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it calculates using TradeInfo in context by comparing its performance against others.

<sup>11</sup> Staff Guidance also states that the Purpose section should identify “how the fee may apply differently (*e.g.*, additional cost vs. additional discount) to different *types* of market participants (*e.g.*, market makers, institutional brokers, retail brokers, vendors, etc.) and different *sizes* of market participants (*e.g.*, large, medium or small entity. . . .”

<sup>12</sup> 15 U.S.C. 78f(b).

<sup>13</sup> 15 U.S.C. 78f(b)(5).



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

QView was designed to facilitate the work of broker-dealers executing orders on the Exchange, and its usefulness depended on its effectiveness in helping the broker-dealer manage order flow. Nasdaq proposes to withdraw QView because low customer demand has rendered the product no longer economically viable. Withdrawing a product that has been determined to not be economically viable in a competitive marketplace promotes just and equitable principles of trade, removes impediments to and perfects the mechanism of a free and open market and a national market system, and, in general, protects investors and the public interest.

The Proposal is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. Broker-dealers that currently utilize the product did not express concern that the withdrawal will negatively impact their business, and did not expect to continue using the product. These customers will still have access to the underlying information, and will remain able to summarize that information through their own dashboards or other similar products. Broker-dealers that do not currently utilize the product will not be affected. The Proposal therefore does not permit unfair discrimination.

#### 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.

**Intermarket Competition**

The withdrawal of QView will have no impact on intermarket competition (the competition among SROs). Indeed, the Proposal may generate competitive responses from other exchanges by, for example, introducing their own versions of QView, although, as is evident from Nasdaq's experience, this type of product does not appear to be subject to high customer demand.

**Intramarket Competition**

The Proposal will not cause any unnecessary or inappropriate burden on intramarket competition (competition among exchange customers). As explained in our discussion of unfair discrimination above, broker-dealers that currently utilize the product did not indicate that they would be adversely impacted in any way. Such broker-dealers would still have access to the underlying information, and would remain able to summarize that information through their own dashboards or other similar products. Broker-dealers that do not currently utilize the product would not be affected in any way. The Proposal therefore will not cause 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)

The foregoing rule change has become effective pursuant to Section

19(b)(3)(A)(iii)<sup>14</sup> of the Act and Rule 19b-4(f)(6) thereunder<sup>15</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 interest.

The Proposal does not significantly affect the protection of investors or the public interest. QView (including Latency Optics) had been designed to help broker-dealers manage order executions and open orders, but the broker-dealers themselves decided not to purchase the product, rendering it nonviable. The few broker-dealers that currently use the product did not indicate that they would be adversely impacted, would still have access to the underlying information, and would be able to summarize that information through their own dashboards or other similar products. Broker-dealers that do not currently utilize the product would not be affected in any way.

For the reasons stated above, the Proposal does not impose any significant burden on competition. The Proposal will not impact the ability of any other exchange to introduce a similar product at a different price point, and broker-dealers will not be adversely impacted for the reasons previously stated.

Furthermore, Rule 19b-4(f)(6)(iii)<sup>16</sup> 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>14</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>15</sup> 17 C.F.R. 240.19b-4(f)(6).

<sup>16</sup> 17 C.F.R. 240.19b-4(f)(6)(iii).

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 necessary or appropriate in the public interest, for the protection of investors, or 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.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) so that QView can be withdrawn at the end of the calendar month, December 31, 2020. For the reasons previously stated, the Exchange does not expect the QView withdrawal to adversely impact any customer. Current customers and other market participants have already been notified of the end-of-year withdrawal; each customer that currently purchases QView has been individually notified, and other market participants have been notified through a Data News item published on October 14, 2020.<sup>17</sup> Because QView and the Latency Optics add-on are both charged as monthly fees, the proposed end-of-month withdrawal would provide for a more orderly withdrawal for both the Exchange and current customers.

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<sup>17</sup> See supra note 8.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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-2020-088)

December \_\_, 2020

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Withdraw the Exchange's QView Product from Sale.

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 December 14, 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 withdraw the Exchange's QView product from sale.

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

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

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

received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The purpose of the proposed rule change is to withdraw QView from sale due to low customer demand.

**QView**

QView is a web-based user interface that displays execution and open order information in a user-friendly format.<sup>3</sup> It is a type of dashboard that displays information regarding the number of executions and their dollar value, executions by symbol, total volume, whether an order has been added or removed, whether the order is for a buy or a sell, whether an order is open, and information related to routing strategies. Information can be tracked in real-time and through historical order and execution summaries, and is available on a daily or a monthly basis.

As a dashboard, QView presents information in a convenient and easy-to-read format, and provides analytic tools to help the user understand that information. It is not, however, the only source for the underlying data, which is provided by TradeInfo.<sup>4</sup>

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<sup>3</sup> See Securities Exchange Act Release No. 65851 (November 30, 2011), 76 FR 75924 (December 5, 2011) (SR-Nasdaq-2011-157) (introducing the QView product); see also Securities Exchange Act Release No. 66636 (March 21, 2012), 77 FR 18280 (March 27, 2012) (SR-NASDAQ-2012-035) (introducing QView fees). For additional technical details on QView as well as screen shots, see QView Order and Execution Management & Latency Optics, available at <http://www.nasdaqtrader.com/Trader.aspx?id=QView>.

<sup>4</sup> See Equity 7, Section 115(f).

TradeInfo is also a web-based tool, and presents the member with detailed data on the status of orders, executions, cancels and breaks, generates reports for download, and allows the member to cancel or correct open orders. QView and TradeInfo are designed to work together. QView provides summary information, and TradeInfo provides the underlying data that supports that summary information. TradeInfo is complementary as part of the Nasdaq workstation, or may be purchased separately for a fee of \$95 per user per month.

QView is offered with the Latency Optics add-on service, which compares three types of latency to Nasdaq averages: (i) the roundtrip time between order entry and receipt of acknowledgement; (ii) roundtrip time between order entry and the time that the order appears on the TotalView ITCH multicast feed; and (iii) the roundtrip time between the entry of an order cancellation request and the time that the message in reply is received by the client device.<sup>5</sup> Data is displayed graphically and in table format, and may be segregated by MPID or ports.

### **Proposed Withdrawal**

Nasdaq proposes to withdraw QView because of low customer demand. QView was introduced in December 2011,<sup>6</sup> and, owing to the age of the product, the seventeen servers required to support QView will reach the end of their useful life at the end of this

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<sup>5</sup> The user of TradeInfo will be able to calculate these latencies for itself, as the underlying transaction information is timestamped.

<sup>6</sup> See Securities Exchange Act Release No. 65851 (November 30, 2011), 76 FR 75924 (December 5, 2011) (SR-Nasdaq-2011-157) (introducing the QView product); see also Securities Exchange Act Release No. 66636 (March 21, 2012), 77 FR 18280 (March 27, 2012) (SR-NASDAQ-2012-035) (introducing QView fees); Securities Exchange Act Release No. 68617 (January 10, 2013), 78 FR 3480 (January 16, 2013) (SR-Nasdaq-2013-005) (introducing the Latency Optics add-on).



year. In light of low customer demand—only 10 firms currently purchase QView, of which only two purchase the Latency Optics add-on service, and further sales do not appear to be forthcoming<sup>7</sup>—the additional investment required to replace these servers is not economically viable.

Nasdaq does not expect the withdrawal of QView to significantly impact any of its current customers. As noted, QView (including Latency Optics) is a dashboard that summarizes information in a convenient, user-friendly format, but the underlying data supporting the QView display will remain available on TradeInfo. Nasdaq has discussed its proposed withdrawal with each of the 10 current purchasers, and none indicated that it was essential for their business. Indeed, all 10 purchasers indicated that their actual usage was low, and did not expect to continue using the product. Nasdaq publicly announced its intent to withdraw QView as of December 31, 2020, in a Data News publication issued on October 14, 2020,<sup>8</sup> and received no feedback concerning additional demand for the product. There will be no interruption in the ability of current customers

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<sup>7</sup> Staff Guidance on SRO Filings Related to Fees states that the Purpose section should include “the projected number of purchasers (including members, as well as non-members) of any new or modified product or service and the expected number of purchasers likely to be subject to a new fee or pricing tier, including members and non-members. . . .” See Division of Trading and Markets, U.S. Securities and Exchange Commission, “Staff Guidance on SRO Filings Related to Fees” (May 21, 2019) (“Staff Guidance”), available at <https://www.sec.gov/tm/staff-guidance-sro-rule-filings-fees>. It also states that “[w]hen a Fee Filing changes an existing fee, the purpose section also should compare the projected number of purchasers likely to be subject to the proposed fee following the proposed fee change and the expected cost of the proposed fee for different types of firms. . . .” As indicated, there are 10 firms that currently purchase QView, of which two firms purchase the Latency Optics add-on service, and no new firms are projected to purchase this product, even if it were not withdrawn.

<sup>8</sup> See Nasdaq Data News No. 2020-9 (October 14, 2020), available at <https://www.nasdaqtrader.com/TraderNews.aspx?id=dn2020-9>.

to see the status of orders, executions, cancels and breaks, generate reports for download, or cancel or correct open orders, as all of the data presented in QView will remain available through TradeInfo. The “dashboard” functions of QView that provide a user-friendly interface and summary statistics can be replaced by the member with any number of similar, commercially available dashboards or other products that summarize data.

QView was designed to provide summary statistics on trade executions to broker-dealers in a convenient, user-friendly format. All of the data needed to generate that summary information, including the Latency Optics add-on service,<sup>9</sup> will remain available to Nasdaq customers via TradeInfo, which allows users to generate reports and download the data using Microsoft Excel. Once the user has the data on Excel, the user would be able to use commercially available programs or proprietary software to generate the charts, graphs and summary statistics previously generated by QView. All of the 10 current QView customers already have access to TradeInfo.<sup>10</sup>

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<sup>9</sup> See supra note 5.

<sup>10</sup> One of the two current purchasers of the Latency Optics add-on service indicated that it intends to obtain similar information through Trading Insights. Nasdaq Trading Insights is an optional market data service that employs advanced analytics and machine learning to analyze order activity. It is comprised of three active market data components: (a) Missed Opportunity--Liquidity; (b) Missed Opportunity--Latency; and (c) Peer Benchmarking. The Missed Opportunity--Liquidity component identifies when an order from a market participant could have been increased in size, resulting in the execution of additional shares. This component is designed to provide information to a market participant interested in gaining insight into hidden pockets of liquidity. The Missed Opportunity--Latency component identifies the amount of time by which an otherwise marketable order missed execution. This component is designed to provide information to market participants interested in optimizing their models and trading patterns. The Peer Benchmarking component ranks the quality of a market participant's trading performance against its peers, allowing market participants to view their relative trading performance by port, with each port

Withdrawal of QView will not have a different impact on different types of market participants.<sup>11</sup> All of the basic data needed for current customers to replicate the product and manage trading activity and monitor latency is available through TradeInfo and Trading Insights. Current customers were unconcerned with withdrawal, and indicated that they did not intend to continue using the product. Broker-dealers that do not currently purchase QView will not be affected by its absence. No other market participants will be affected, as the product was designed exclusively for broker-dealers that manage order flow.

Thus, Nasdaq proposes to withdraw QView based on lack of demand, and does not expect the withdrawal to negatively impact current customers, based on their feedback.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>12</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>13</sup> in particular, in that it is designed to promote just and equitable principles of trade, to remove

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ranked independently by each metric against the ports of peer firms trading on the Exchange. See Equity 7, Section 146; Securities Exchange Act Release No. 80856 (June 5, 2017), 82 FR 26820 (June 9, 2017) (SR-NASDAQ-2017-051). Trading Insights can be used by the customer to place the latency information that it calculates using TradeInfo in context by comparing its performance against others.

<sup>11</sup> Staff Guidance also states that the Purpose section should identify “how the fee may apply differently (*e.g.*, additional cost vs. additional discount) to different *types* of market participants (*e.g.*, market makers, institutional brokers, retail brokers, vendors, etc.) and different *sizes* of market participants (*e.g.*, large, medium or small entity. . . .”

<sup>12</sup> 15 U.S.C. 78f(b).

<sup>13</sup> 15 U.S.C. 78f(b)(5).

impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

QView was designed to facilitate the work of broker-dealers executing orders on the Exchange, and its usefulness depended on its effectiveness in helping the broker-dealer manage order flow. Nasdaq proposes to withdraw QView because low customer demand has rendered the product no longer economically viable. Withdrawing a product that has been determined to not be economically viable in a competitive marketplace promotes just and equitable principles of trade, removes impediments to and perfects the mechanism of a free and open market and a national market system, and, in general, protects investors and the public interest.

The Proposal is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. Broker-dealers that currently utilize the product did not express concern that the withdrawal will negatively impact their business, and did not expect to continue using the product. These customers will still have access to the underlying information, and will remain able to summarize that information through their own dashboards or other similar products. Broker-dealers that do not currently utilize the product will not be affected. The Proposal therefore does not permit unfair discrimination.

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.

### **Intermarket Competition**

The withdrawal of QView will have no impact on intermarket competition (the competition among SROs). Indeed, the Proposal may generate competitive responses from other exchanges by, for example, introducing their own versions of QView, although, as is evident from Nasdaq's experience, this type of product does not appear to be subject to high customer demand.

### **Intramarket Competition**

The Proposal will not cause any unnecessary or inappropriate burden on intramarket competition (competition among exchange customers). As explained in our discussion of unfair discrimination above, broker-dealers that currently utilize the product did not indicate that they would be adversely impacted in any way. Such broker-dealers would still have access to the underlying information, and would remain able to summarize that information through their own dashboards or other similar products. Broker-dealers that do not currently utilize the product would not be affected in any way. The Proposal therefore will not cause any unnecessary or inappropriate burden on intramarket competition.

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

No written comments were either solicited or received.

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

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>14</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>15</sup>

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. 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:

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-2020-088 on the subject line.

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<sup>14</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>15</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.

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-2020-088. 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-2020-088 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>16</sup>

J. Matthew DeLesDernier  
Assistant Secretary

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<sup>16</sup> 17 CFR 200.30-3(a)(12).



**EXHIBIT 5**

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

**The Nasdaq Stock Market LLC Rules****Equity Rules****Equity 7: Pricing Schedule**

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**Section 158. Reserved [QView]**

[(a) QView is a web-based tool designed to give a subscribing member the ability to track its order flow on Nasdaq, and create both real-time and historical reports of such order flow. Members may subscribe to QView for a fee of \$600 per month, per member firm.]

[(b) A QView subscriber may subscribe to the Latency Optics add-on service. Latency Optics is a web-based tool accessed through QView that provides a subscribing member the ability to monitor the latency of its order messages through its OUCH ports on the Nasdaq system in real-time, analyze the latency of messages sent to the Nasdaq system, and compare its latency to the average latency on the Nasdaq system at any given time. In addition, users can view latency detail for order to book (i.e., how quickly an order is visible on the ITCH feed).]

[A member may subscribe to the Latency Optics add-on for a fee of \$2,900 per month/per member.]

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