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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No.* SR - 2021 - * 046
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) *
☑	☐	☐	☐	☑	☐

Pilot	Extension of Time Period for Commission Action *	Date Expires *
☐	☐	

Rule

☐ 19b-4(f)(1)	☐ 19b-4(f)(4)
☑ 19b-4(f)(2)	☐ 19b-4(f)(5)
☐ 19b-4(f)(3)	☐ 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) *	Section 806(e)(2) *
☐	☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

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 amend the Exchanges Pricing Schedule at Equity 7, Section 114(f)

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 *	Jonathan	Last Name *	Cayne
Title *	Principal Associate General Counsel		
E-mail *	jonathan.cayne@nasdaq.com		
Telephone *	(301) 978-8492	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.

Date 05/27/2021

By John Zecca

(Name *)

(Title *)

EVP and Chief Legal Counsel

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.

john.zecca@nasdaq.com

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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 amend the Exchange's Pricing Schedule at Equity 7, Section 114(f) ("Pricing Schedule"), as described further below.

Changes to the fee schedule pursuant to this proposal are effective upon filing.

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:

Jonathan F. Cayne
Principal Associate General Counsel
Nasdaq, Inc.
(301) 978-8493

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

[2] 17 CFR 240.19b-4.

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

a. Purpose

The purpose of the proposed rule change is to amend the Exchange's Pricing Schedule at Equity 7, Section 114(f) applicable to the Designated Liquidity Provider ("DLP")[3] Program. The Exchange proposes to amend the rebates applicable for DLPs in Nasdaq-listed securities with monthly incentives that are directly tied to meeting market quality metrics ("MQMs"). Specifically, the Exchange proposes to (1) add Exchange Traded Fund Shares listed on Nasdaq pursuant to Nasdaq Rule 5704, Proxy Portfolio Shares listed on Nasdaq pursuant to Nasdaq Rule 5750, and Managed Portfolio Shares listed on Nasdaq pursuant to Nasdaq Rule 5760 to the list of securities that may be designated as a Qualified Security, as long as it has at least one DLP; (2) amend Equity 7, Section 114(f)(4) to revise the monthly performance criteria related to the specific rebates provided under Equity 7, Section 114(f)(5), as well as to address secondary DLPs ("Secondary DLPs"); (3) change the current schedule under Equity 7, Section 114(f)(5) from three tiers to five tiers, establish both standard rebates ("Standard Rebate") and enhanced rebates ("Enhanced Rebate"), as well as address Secondary DLPs; and (4) change the existing Additional Tape C ETP Incentives in Equity 7, Section 114(f)(5)(B), as well as add a new tier to the schedule.

3 Equity 7, Section 114(f)(2) defines a "Designated Liquidity Provider" or "DLP" as a registered Nasdaq market maker for a Qualified Security (defined below) that has committed to maintain minimum performance standards. A DLP will be selected by Nasdaq based on factors including, but not limited to, experience with making markets in exchange-traded products, adequacy of capital, willingness to promote Nasdaq as a marketplace, issuer preference, operational capacity, support personnel, and history of adherence to Nasdaq rules and securities laws. Nasdaq may limit the number of DLPs in a security, or modify a previously established limit, upon prior written notice to members.

Description of the Changes

The proposal amends the rebates applicable for DLPs in Nasdaq-listed securities with monthly incentives that are directly tied to meeting MQMs.[4] The Exchange believes that these changes will encourage DLPs to maintain better market quality in Nasdaq-listed securities, and, in particular, in lower volume securities where transaction-based compensation (i.e., rebates) may not be sufficient. The Exchange currently offers a DLP Program, which applies to transactions in a Qualified Security[5] by one of its DLPs associated with its DLP Program market participant identifier ("MPID").

Add Exchange Traded Fund Shares, Proxy Portfolio Shares and Managed Portfolio Shares to List that may be Designated as a Qualified Security

The Exchange proposes to amend Equity 7, Section 114(f)(1)(A) to add Exchange Traded Fund Shares listed on Nasdaq pursuant to Nasdaq Rule 5704,[6] Proxy Portfolio Shares listed on Nasdaq pursuant to Nasdaq Rule 5750 and Managed Portfolio Shares listed on Nasdaq pursuant to Nasdaq Rule 5760 to the list of securities that may be designated as a Qualified Security, as long as it has at least one DLP. Nasdaq Rule 5704 (Exchange Traded Fund Shares), Nasdaq Rule 5750 (Proxy Portfolio Shares) and Nasdaq Rule 5760 (Managed Portfolio Shares) were all fairly recently adopted and should be added to the existing list that already includes: Nasdaq Rule 5705 - Exchange Traded

4 The Exchange is also making a technical change in the second sentence of Equity 7, Section 114(f)(5)(B) to change "Rebate" to "rebate".

5 Equity 7, Section 114(f)(1) says a security may be designated as a "Qualified Security" if: (a) it is an exchange-traded product listed on Nasdaq pursuant to Nasdaq Rules 5705, 5710, 5720, 5735, or 5745; and (b) it has at least one DLP.

6 The inclusion of Nasdaq Rule 5704 to the list of securities that may be designated as a Qualified Security is not a substantive change, but being added as a clarification because the securities listed under Nasdaq Rule 5704 are already covered by Nasdaq Rules 5705 and 5735.

Funds: Portfolio Depository Receipts and Index Fund Shares; Nasdaq Rule 5710 - Securities Linked to the Performance of Indexes and Commodities (Including Currencies); Nasdaq Rule 5720 - Trust Issued Receipts; Nasdaq Rule 5735 - Managed Fund Shares; and Nasdaq Rule 5745 - Exchange-Traded Managed Fund Shares ("NextShares"). Both Proxy Portfolio Shares and Managed Portfolio Shares are semi-transparent exchange-traded funds ("ETFs") that also need support from a market quality perspective just like traditional ETFs. Since these products are new and incubating, the Exchange believes the DLP changes will be beneficial to these ETFs as well.

Amend Monthly Performance Criteria for Rebates and Address Secondary DLPs

The Exchange also proposes to amend Equity 7, Section 114(f)(4) to revise the monthly performance criteria related to the specific rebates provided under Equity 7, Section 114(f)(5). Currently, to qualify for the basic rebate, which is being renamed the "Primary DLP Rebate," under Equity 7, Section 114(f)(4), a DLP must be at the national best bid (best offer) ("NBBO") at least 20% of the time on average in the assigned exchange-traded product ("ETP"). As amended, a Primary DLP will need to meet all four of the Standard MQMs in the assigned ETP as measured by Nasdaq to qualify for the Standard Rebate and all four of the Enhanced MQMs in the assigned ETP as measured by Nasdaq to qualify for the Enhanced Rebate. These MQMs are measured on average in the assigned ETP during regular market hours[7]: (1) time at the NBBO will be 20% for the Standard Rebate and 50% for the Enhanced Rebate; (2) time within 5 basis points of NBBO will be 50% for the Standard Rebate and 75% for the Enhanced Rebate;

[7] Equity 7, Section 114(h)(9) says "The term "regular market hours" means 9:30 a.m. through 4:00 p.m., or such shorter period as may be designated by Nasdaq on a day when the securities markets close early."

(3) notional depth will be \$100,000 (within 150 basis points of NBBO) for the Standard Rebate and \$100,000 (within 50 basis points of NBBO) for the Enhanced Rebate; and (4) average spread will be less than 125 basis points for the Standard Rebate and less than 25 basis points for the Enhanced Rebate.

Nasdaq is proposing these changes to the DLP Program to modernize it so that it becomes a program that is more market quality focused rather than transaction-based. The new MQMs are intended to encourage DLPs to uphold better quality markets in Nasdaq-listed ETPs and also ensure a scalable business model to support new and incubating ETPs that often trade less on a daily basis (i.e., certain rebates will be on a fixed amount rather than on a per executed share basis).

Additionally, the Exchange proposes to amend Equity 7, Section 114(f)(4) to address Secondary DLPs. If there are two DLP assignments for a Nasdaq-listed ETP, the Secondary DLP will be determined by using the factors in Section 114(f)(2). The Secondary DLP will qualify for rebates in ETPs if it meets two of the four Enhanced MQMs noted above. The Exchange believes that allowing two DLPs will work to further support the market quality in lower average daily volume ("ADV") ETPs and increase resiliency in market quality performance. By incentivizing more than one market maker to meet the increased MQMs, lower ADV ETPs now have more market makers who are incentivized to provide quote quality and layering of notional depth, which can be a benefit if the Primary DLP has an unforeseen quoting or technology issue. Also, by adding the MQMs, the Primary and Secondary DLP are incentivized to not only provide quotes at the NBBO but also other important quote quality metrics around the NBBO.

Amend Rebate Tiers to Include Standard and New Enhanced Rebates and Update Schedule from Three to Five Tiers, and Address Secondary DLPs

Currently, the Exchange provides rebates in Equity 7, Section 114(f)(5)(A) that are in lieu of or in addition to, as specified, other rebates or fees provided under Equity 7, Sections 114 and 118. The Exchange proposes to change the current schedule of three tiers[8] to an updated schedule with five tiers and will clarify that the rebates will only apply to MPIDs where a member is a Primary DLP.

The proposed amended schedule contains five tiers based on monthly ADV and includes both a Standard Rebate and an Enhanced Rebate for Primary DLPs. Tier 1 will apply to ETPs with monthly ADV greater than 1 million in the prior month with a Standard Rebate of $0.0034 per executed share and with an Enhanced Rebate of $0.0036 per executed share. Tier 2 will apply to ETPs with monthly ADV between 250,001 and 1 million in the prior month with a Standard Rebate of $0.0040 per executed share and with an Enhanced Rebate of $0.0042 per executed share. Tier 3 will apply to ETPs with monthly ADV between 150,001 and 250,000 in the prior month with a Standard Rebate of $200 per month and with an Enhanced Rebate of $350 per month. Tier 4 will apply to ETPs with monthly ADV between 50,001 and 150,000 in the prior month with a Standard Rebate of $225 per month and with an Enhanced Rebate of $450 per month. Tier 5 will apply to ETPs with monthly ADV less than 50,001 in the prior month with a Standard Rebate of $300 per month and with an Enhanced Rebate of $500 per month. The Tier 3 –

8 The current three tiers are: (1) $0.0070 per executed share for ETPs with monthly ADV less than 500,000 in the prior month; (2) $0.0042 per executed share for ETPs with monthly ADV between 500,000 and 5 million in the prior month; and (3) $0.0036 per executed share for ETPs with monthly ADV greater than 5 million in the prior month. Enhanced Rebates are not addressed in the current schedule.

5 rebates will be in addition to any other rebates the Primary DLP qualifies for under Equity 7, Sections 114 and 118.

Currently, the Exchange's DLP Program incentivizes DLPs with a transaction-style rebate with one market quality requirement (time at inside at least 20%). While this does benefit some ETPs, it may not be satisfactory for lower volume ETPs, which are often new and incubating products that need a different support model from the Nasdaq. The Exchange believes the changes will better position these ETPs for success and benefit the issuers and market makers by offering a fixed rebate for meeting more market quality requirements in lower volume ETPs.

Nasdaq believes that by allowing a hybrid-style rebate program (transaction and fixed rebate), the Exchange can better support the market makers' business model. The Exchange believes that the amended DLP Program and market quality requirements will serve to better align the Exchange incentives with a more scalable and reliable model for DLPs, as well as increase market quality performance in Nasdaq-listed ETPs. The Exchange decided to retain a per executed share rebate model for ETPs with an ADV greater than 250,001. Based on issuer and market maker feedback, it was evident that for more actively traded ETPs this model may provide greater incentives for DLPs while still holding DLPs to more stringent MQMs.

The Exchange also proposes that if there is more than one DLP to an assigned ETP, then the Secondary DLP receives $150 per month or an additional $0.0003 per executed share, depending upon the tier, which will be in addition to any other rebate the Secondary DLP is eligible for under Equity 7, Sections 114 and 118. The Exchange believes that by allowing two DLPs (the Secondary DLP will be determined by using the factors in Equity 7, Section 114(f)(2)) will work to further support the market quality in lower ADV ETPs and increase resiliency in market quality performance.

Change Existing Additional Tape C ETP Incentives and Add New Tier

In addition, the Exchange proposes to change the existing Additional Tape C ETP Incentives in Equity 7, Section 114(f)(5)(B), as well as add a new tier. The rebates are provided to an eligible member for each displayed share that adds liquidity in a Tape C ETP that meets the criteria of Equity 7, Section 114(f)(1)(A) and will only apply to the MPID where a member is a DLP.

The Exchange proposes to amend the Incremental Tape C ETP Rebate for Tier 1 (applicable to members with a minimum monthly average of 10 assigned ETPs as a DLP) to decrease from $0.0003 per executed share to $0.0002 per executed share. The Exchange proposes to amend the Incremental Tape C ETP Rebate for Tier 2 (applicable to members with a minimum monthly average of 25 assigned ETPs as a DLP) to decrease from $0.0004 per executed share to $0.0003 per executed share. The Exchange proposes to amend the Incremental Tape C ETP Rebate for Tier 3 (applicable to members with a minimum monthly average of 50 assigned ETPs as a DLP) to decrease from $0.0005 per executed share to $0.0004 per executed share. Finally, the Exchange proposes to add a Tier 4 that will have an Incremental Tape C ETP Rebate of $0.0005 per executed share applicable to members with a minimum monthly average of 100 assigned ETPs as a DLP. In addition, the Exchange will eliminate the existing language at the end of the rule.[9] The

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9 The rule language currently says “If a current DLP has less than 10 DLP assignments, but increases the number of ETPs for which it is a DLP by 100%, the DLP will receive an incremental additional Tape C ETP rebate of $0.0001. A DLP receiving its first assignment will count as a 100% increase. This incremental rebate is only available for the first 100% increase and thus is not available for subsequent increases of 100%.”

Exchange is updating the Tape C ETP rebate to better reflect the growing number of ETP listings on Nasdaq. The Exchange is proposing to eliminate the existing language at the end of Equity 7, Section 114(f)(5)(B) that follows the Additional Tape C ETP Incentives schedule because the Exchange believes it was not an effective part of the DLP Program, and that the amended rebates will be more impactful to ETF issuers and market makers.

b. Statutory Basis

The Exchange believes that its proposals are consistent with Section 6(b) of the Act,[10] in general, and further the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,[11] in particular, in that they provide for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using its facilities and do not unfairly discriminate between customers, issuers, brokers or dealers. The Exchange also notes that its ETP listing business operates in a highly-competitive market in which market participants, which include both DLPs and ETP issuers, can readily transfer their listings or opt not to participate, respectively, if they deem fee levels, liquidity incentive programs, or any other factor at a particular venue to be insufficient or excessive. The proposed rule change reflects a competitive pricing structure designed to incentivize issuers to list new products and transfer existing products to the Exchange and market participants to enroll and participate as DLPs on the Exchange, which the Exchange believes will enhance market quality in qualified ETPs listed on the Exchange.

Add Exchange Traded Fund Shares, Proxy Portfolio Shares and Managed Portfolio Shares to List that may be Designated as a Qualified Security

The Exchange believes that the change to expand the list of securities that may be

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10 15 U.S.C. 78f(b).

11 15 U.S.C. 78f(b) (5).

designated as a "Qualified Security" to include Exchange Traded Fund Shares under Nasdaq Rule 5704, Proxy Portfolio Shares under Nasdaq Rule 5750 and Managed Portfolio Shares under Nasdaq Rule 5760, as long as they have at least one DLP, is reasonable and would be consistent with the public interest and the protection of investors because investors will not be harmed and in fact would benefit from increased clarity and transparency of the Pricing Schedule. The inclusion of Exchange Traded Fund Shares is not a substantive change, but being added as a clarification because the securities listed under Nasdaq Rule 5704 are already covered by Nasdaq Rules 5705 and 5735 and this simply clarifies that such a security may be designated as a "Qualified Security." The addition of Proxy Portfolio Shares and Managed Portfolio Shares to the list of securities that may be designated as a "Qualified Security" is reasonable because low ADV semi-transparent ETPs also need support from a market quality perspective just like traditional ETPs. Since these products are new and incubating, the Exchange believes the DLP changes will be beneficial to these ETFs as well.

Amend Equity 7, Section 114(f)(4) to Revise the Monthly Performance Criteria Related to Specific Rebates provided under Equity 7, Section 114(f)(5), and to Address Secondary DLPs

The Exchange believes that amending Equity 7, Section 114(f)(4) to revise the monthly performance criteria related to the specific rebates provided under Equity 7, Section 114(f)(5) by better aligning the behavior required to qualify for rebates with the nature of the rebates provided is reasonable because the Exchange must from time to time assess the effectiveness of the incentives it provides to market participants in return for the beneficial behavior required to receive the incentive. In this case, the Exchange is amending the program so that a Primary DLP will need to meet all four of the Standard MQMs in the assigned ETP as measured by Nasdaq to qualify for the Standard Rebate and all four of the Enhanced MQMs in the assigned ETP as measured by Nasdaq to qualify for the Enhanced Rebate. These MQMs are measured on average in the assigned ETP during regular market hours: (1) time at the NBBO will be 20% for the Standard Rebate and 50% for the Enhanced Rebate; (2) time within 5 basis points of NBBO will be 50% for the Standard Rebate and 75% for the Enhanced Rebate; (3) notional depth will be $100,000 (within 150 basis points of NBBO) for the Standard Rebate and $100,000 (within 50 basis points of NBBO) for the Enhanced Rebate; and (4) average spread will be less than 125 basis points for the Standard Rebate and less than 25 basis points for the Enhanced Rebate.

The Exchange believes that the proposed eligibility criteria are an equitable allocation and are not unfairly discriminatory because the Exchange will apply the same criteria to all DLPs. The Exchange also believes that the proposed eligibility criteria are an equitable allocation and are not unfairly discriminatory among Exchange members because any member may become a market maker and take the steps necessary to also become a DLP, including meeting the proposed minimum criteria under Equity 7, Section 114(f)(4).[12] The DLP Program is limited to Exchange market makers because of their unique role in the markets, including their obligation to provide liquidity in the securities in which they are registered. Thus, the DLP Program is a further extension of the market maker's role in providing liquidity in specific securities, to the benefit of all market participants.

The Exchange also believes these changes are an equitable allocation and are not unfairly discriminatory because the Exchange is proposing these changes to the DLP

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12 The Exchange will select DLPs based on the factors in Equity 7, Section 114(f)(2).

Program to modernize it so that it becomes a program that is more market quality focused rather than transaction-based (i.e., the Exchange will pay fixed amount rebates that fall within Tiers 3 – 5). The new MQMs are intended to encourage DLPs to uphold better quality markets in Nasdaq-listed ETPs and also ensure a scalable business model to support new and incubating ETPs that often trade less on a daily basis.

The Exchange believes that its proposal to amend Equity 7, Section 114(f)(4) to address Secondary DLPs is reasonable because it allows that if there are two DLP assignments for a Nasdaq-listed ETP (the Secondary DLP will be determined by using the factors in Section 114(f)(2)) and that the Secondary DLP will qualify for rebates in ETPs if it meets two of the four Enhanced MQMs as noted above. The Exchange believes that this proposal is an equitable allocation and is not unfairly discriminatory because allowing two DLPs will work to further support the market quality in lower ADV ETPs and increase resiliency in market quality performance. Additionally, the Exchange believes that by incentivizing more than one market maker to meet the increased MQMs, lower ADV ETPs now have more market makers who are incentivized to provide quote quality and layering of notional depth, which can be a benefit if the Primary DLP has an unforeseen quoting or technology issue. Also, by adding the MQMs, the Primary and Secondary DLP are incentivized to not only provide quotes at the NBBO but also other important quote quality metrics around the NBBO.

The Exchange believes that its proposals to add additional MQMs and rebates are not unfairly discriminatory because these rebates are available to all qualifying members and reward meaningful quote quality and liquidity in ETPs. Moreover, these proposals stand to improve the overall market quality of the Exchange, to the benefit of all market participants, by allowing a hybrid-style rebate program (transaction and fixed rebate), the Exchange can better support the market makers' business model. The Exchange believes that the amended DLP Program and market quality requirements will serve to better align the Exchange incentives with a more scalable and reliable model for DLPs, as well as increase market quality performance in Nasdaq-listed ETPs.

Amend Rebate Tiers to Include Standard and New Enhanced Rebates and Update Schedule from Three to Five Tiers, and Address Secondary DLPs

The Exchange believes that its proposal to amend the DLP Program's rebate tiers to include Standard and new Enhanced Rebates and updating the Pricing Schedule from three to five tiers, and to clarify that the rebates will only apply to MPIDs where a member is a Primary DLP, and that Tier 3 – 5 rebates will be in addition to any other rebates the Primary DLP qualifies for under Equity 7, Sections 114 and 118, is reasonable because it will encourage DLPs to uphold better quality markets in Nasdaq-listed ETPs through being more market quality focused rather than transaction-based. Currently, the Exchange's DLP Program incentivizes DLPs with a transaction-style rebate with one market quality requirement (time at inside at least 20%). Although this does benefit some ETPs, it may not be satisfactory for lower volume ETPs, which are often new and incubating products that need a different support model from the Exchange.

The Exchange believes that amending the DLP Program as proposed is an equitable allocation of rebates and is not unfairly discriminatory because it will allocate its rebates fairly among its market participants (i.e., the Exchange will pay higher rebates to DLPs that meet higher MQMs and will pay DLPs higher fixed rebates for the ETPs with lower ADVs). It will better position these lower volume ETPs for success and will benefit issuers and market makers by offering a fixed rebate for meeting more market quality requirements in lower volume ETPs.

Specifically, the Exchange proposes to change the current schedule under Equity 7, Section 114(f)(5) from three tiers to five tiers.[13] The proposed five tiers are based on monthly ADV and includes both a Standard Rebate and an Enhanced Rebate. The Exchange believes this proposal is an equitable allocation of rebates and is not unfairly discriminatory because by allowing for a fixed payment in lower ADV products, it provides for a more reliable business model for DLPs while adding on quote and market quality requirements and reflects an equitable allocation of rebates. Additionally, by allowing a hybrid style rebate program (transaction-based and a fixed rebate), the Exchange can better support the market makers' business model. The Exchange believes that the DLP Program, as amended, will better align incentives with a more scalable and reliable model for DLPs and increase market quality performance in Nasdaq-listed ETPs. Additionally, retaining a per executed share rebate model for ETPs with an ADV greater than 250,001 may provide greater incentives for DLPs while still holding DLPs to more stringent MQMs.

The Exchange also believes that its proposal that if there is more than one DLP to an assigned ETP, then the Secondary DLP receives $150 per month or an additional $0.0003 per executed share, depending upon the tier, will be in addition to any other rebate the Secondary DLP is eligible for under Equity 7, Sections 114 and 118 is an equitable allocation of rebates and is not unfairly discriminatory because allowing two DLPs (the Secondary DLP will be determined by using the factors in Section 114(f)(2)) will work to further support the market quality in lower ADV ETPs and increase

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13 See supra note 8.

resiliency in market quality performance.

The Exchange believes that its proposals are not unfairly discriminatory. As an initial matter, the Exchange believes that nothing about its tiered pricing model is inherently unfair; instead, it is a rational pricing model that is well-established and ubiquitous in today's economy among firms in various industries – from co-branded rebate cards to grocery stores to cellular telephone data plans – that use it to reward the loyalty of their best customers that provide high levels of business activity and incent other customers to increase the extent of their business activity. It is also a pricing model that the Exchange and its competitors have long employed with the assent of the Commission. It is fair because it incentivizes customer activity that increases liquidity, enhances price discovery, and improves the overall quality of the equity markets.

The Exchange also believes that its amended Pricing Schedule is not unfairly discriminatory because if successful, it stands to improve the quality of the Nasdaq market, to the benefit of all market participants. The Exchange has limited resources with which to apply to incentives, and it must allocate those limited resources in a manner that prioritizes areas of greatest need and potential effect.

<u>Change Existing Additional Tape C ETP Incentives and Add New Tier</u>

The Exchange believes that its proposal to amend the existing Additional Tape C ETP Incentives in Equity 7, Section 114(f)(5)(B) and add a new tier is reasonable because it allows an eligible member for each displayed share that adds liquidity in a Tape C ETP that meets the criteria of Equity 7, Section 114(f)(1)(A) to receive a rebate and limits it those MPIDs where a member is a DLP. ETP listings is a highly competitive market in which ETP issuers and DLPs can opt to not participate or transfer listings. The additional tier reflects the growing number of ETPs listed on Nasdaq.

In addition, the Exchange believes it is reasonable to eliminate the existing language at the end of the rule because the Exchange believes it was not an effective part of the DLP Program, and that the amended rebates will be more impactful to ETF issuers and market makers. . The Exchange also believes that making a technical change in the second sentence of Equity 7, Section 114(f)(5)(B) to change "Rebate" to "rebate" is reasonable since it is merely a clarification that improves the sentence.

The Exchange believes that amending the DLP Program as proposed is an equitable allocation of rebates and is not unfairly discriminatory because it will allocate its rebates fairly among its market participants (i.e., the Exchange will pay higher rebates for DLPs with more ETPs assigned). Additionally, it will better position these lower volume ETPs for success and will benefit issuers and market makers.

The Exchange also believes that amending the DLP Program as proposed is an equitable allocation of rebates and is not unfairly discriminatory because it is intended to encourage DLPs to promote better market quality and liquidity in qualified Nasdaq-listed ETPs. By providing increased rebates based on better market quality and their DLP footprint, the Exchange believes that it will encourage DLPs to register, quote and trade in more ETPs on Nasdaq. Additionally, the Exchange believes the updated rebates will incentivize DLPs to register to support additional ETPs, especially lower ADV products.

The Exchange also believes that its proposal to amend the existing Additional Tape C ETP Incentives in Equity 7, Section 114(f)(5)(B) and add a new tier is not unfairly discriminatory because if successful, it stands to improve the quality of the Nasdaq market, to the benefit of all market participants. The Exchange has limited resources with which to apply to incentives, and it must allocate those limited resources in a manner that prioritizes areas of greatest need and potential effect

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. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem rebates or fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its rebates and fees to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own rebates and fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which rebate and fee changes in this market may impose any burden on competition is extremely limited.

In this instance, the Exchange is proposing to modify the incentives provided to market makers for participation in the DLP program in an effort to improve the program by providing more targeted incentives to improve and increase market quality in ETPs that are in need of such improvement the most. The Exchange uses incentives, such as the rebates of the DLP program, to incentivize market participants to improve the market. The Exchange must, from time to time, assess the effectiveness of incentives and adjust them when they are not as effective as the Exchange believes they could be. Moreover, the Exchange is ultimately limited in the amount of rebates it may offer. The proposed new criteria and incentives are reflective of such an analysis.

The Exchange notes that participation in the DLP program is entirely voluntary and, to the extent that registered market makers determine that the rebates are not in line with the level of market-improving behavior the Exchange requires, a DLP may elect to deregister as such with no penalty. The Exchange notes that it is amending the MQMs required for a DLP to receive an increased rebate under the program, and thus there is a risk that a DLP may not qualify for any of the increased incentives under the amended program if it provides the same level market participation, but will still qualify for their regular base rebate.

The Exchange does not believe that the proposed changes place an unnecessary burden on competition and, in sum, if the changes proposed herein are unattractive to market makers, it is likely that the Exchange will lose participation in the DLP program as a result. As noted above, the Exchange is continuing to limit eligibility for the program to Exchange market makers. The Exchange believes that Exchange market makers are best positioned to provide market improvement in DLP Program ETPs in light of their unique function in the markets. Moreover, any Exchange member may elect to take the steps necessary to become an Exchange market maker and therefore become eligible for the program if they choose. The Exchange will continue to select DLPs based on the factors in Equity 7, Section 114(f)(2). Thus, the Exchange does not believe that the proposal represents a burden on competition among Exchange members, or that the proposal will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets.

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,[14] 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.

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

Not applicable.

11. Exhibits

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

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14 15 U.S.C. 78s(b)(3)(A)(ii).

5. Text of the proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. ; File No. SR-NASDAQ-2021-046)

May __, 2021

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Exchange's Pricing Schedule at Equity 7, Section 114(f)

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 May 27, 2021, The Nasdaq Stock Market LLC ("Nasdaq" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend the Exchange's Pricing Schedule at Equity 7, Section 114(f) ("Pricing Schedule").

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.

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

2 17 CFR 240.19b-4.

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

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

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

1. Purpose

The purpose of the proposed rule change is to amend the Exchange's Pricing Schedule at Equity 7, Section 114(f) applicable to the Designated Liquidity Provider ("DLP")[3] Program. The Exchange proposes to amend the rebates applicable for DLPs in Nasdaq-listed securities with monthly incentives that are directly tied to meeting market quality metrics ("MQMs"). Specifically, the Exchange proposes to (1) add Exchange Traded Fund Shares listed on Nasdaq pursuant to Nasdaq Rule 5704, Proxy Portfolio Shares listed on Nasdaq pursuant to Nasdaq Rule 5750, and Managed Portfolio Shares listed on Nasdaq pursuant to Nasdaq Rule 5760 to the list of securities that may be designated as a Qualified Security, as long as it has at least one DLP; (2) amend Equity 7,

3 Equity 7, Section 114(f)(2) defines a "Designated Liquidity Provider" or "DLP" as a registered Nasdaq market maker for a Qualified Security (defined below) that has committed to maintain minimum performance standards. A DLP will be selected by Nasdaq based on factors including, but not limited to, experience with making markets in exchange-traded products, adequacy of capital, willingness to promote Nasdaq as a marketplace, issuer preference, operational capacity, support personnel, and history of adherence to Nasdaq rules and securities laws. Nasdaq may limit the number of DLPs in a security, or modify a previously established limit, upon prior written notice to members.

Section 114(f)(4) to revise the monthly performance criteria related to the specific rebates provided under Equity 7, Section 114(f)(5), as well as to address secondary DLPs ("Secondary DLPs"); (3) change the current schedule under Equity 7, Section 114(f)(5) from three tiers to five tiers, establish both standard rebates ("Standard Rebate") and enhanced rebates ("Enhanced Rebate"), as well as address Secondary DLPs; and (4) change the existing Additional Tape C ETP Incentives in Equity 7, Section 114(f)(5)(B), as well as add a new tier to the schedule.

Description of the Changes

The proposal amends the rebates applicable for DLPs in Nasdaq-listed securities with monthly incentives that are directly tied to meeting MQMs.[4] The Exchange believes that these changes will encourage DLPs to maintain better market quality in Nasdaq-listed securities, and, in particular, in lower volume securities where transaction-based compensation (i.e., rebates) may not be sufficient. The Exchange currently offers a DLP Program, which applies to transactions in a Qualified Security[5] by one of its DLPs associated with its DLP Program market participant identifier ("MPID").

Add Exchange Traded Fund Shares, Proxy Portfolio Shares and Managed Portfolio Shares to List that may be Designated as a Qualified Security

The Exchange proposes to amend Equity 7, Section 114(f)(1)(A) to add Exchange Traded Fund Shares listed on Nasdaq pursuant to Nasdaq Rule 5704,[6] Proxy Portfolio

4 The Exchange is also making a technical change in the second sentence of Equity 7, Section 114(f)(5)(B) to change "Rebate" to "rebate".

5 Equity 7, Section 114(f)(1) says a security may be designated as a "Qualified Security" if: (a) it is an exchange-traded product listed on Nasdaq pursuant to Nasdaq Rules 5705, 5710, 5720, 5735, or 5745; and (b) it has at least one DLP.

6 The inclusion of Nasdaq Rule 5704 to the list of securities that may be designated as a Qualified Security is not a substantive change, but being added as a

Shares listed on Nasdaq pursuant to Nasdaq Rule 5750 and Managed Portfolio Shares listed on Nasdaq pursuant to Nasdaq Rule 5760 to the list of securities that may be designated as a Qualified Security, as long as it has at least one DLP. Nasdaq Rule 5704 (Exchange Traded Fund Shares), Nasdaq Rule 5750 (Proxy Portfolio Shares) and Nasdaq Rule 5760 (Managed Portfolio Shares) were all fairly recently adopted and should be added to the existing list that already includes: Nasdaq Rule 5705 - Exchange Traded Funds: Portfolio Depository Receipts and Index Fund Shares; Nasdaq Rule 5710 - Securities Linked to the Performance of Indexes and Commodities (Including Currencies); Nasdaq Rule 5720 - Trust Issued Receipts; Nasdaq Rule 5735 - Managed Fund Shares; and Nasdaq Rule 5745 - Exchange-Traded Managed Fund Shares ("NextShares"). Both Proxy Portfolio Shares and Managed Portfolio Shares are semi-transparent exchange-traded funds ("ETFs") that also need support from a market quality perspective just like traditional ETFs. Since these products are new and incubating, the Exchange believes the DLP changes will be beneficial to these ETFs as well.

Amend Monthly Performance Criteria for Rebates and Address Secondary DLPs

The Exchange also proposes to amend Equity 7, Section 114(f)(4) to revise the monthly performance criteria related to the specific rebates provided under Equity 7, Section 114(f)(5). Currently, to qualify for the basic rebate, which is being renamed the "Primary DLP Rebate," under Equity 7, Section 114(f)(4), a DLP must be at the national best bid (best offer) ("NBBO") at least 20% of the time on average in the assigned exchange-traded product ("ETP"). As amended, a Primary DLP will need to meet all four of the Standard MQMs in the assigned ETP as measured by Nasdaq to qualify for

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clarification because the securities listed under Nasdaq Rule 5704 are already covered by Nasdaq Rules 5705 and 5735.

the Standard Rebate and all four of the Enhanced MQMs in the assigned ETP as measured by Nasdaq to qualify for the Enhanced Rebate. These MQMs are measured on average in the assigned ETP during regular market hours[7]: (1) time at the NBBO will be 20% for the Standard Rebate and 50% for the Enhanced Rebate; (2) time within 5 basis points of NBBO will be 50% for the Standard Rebate and 75% for the Enhanced Rebate; (3) notional depth will be $100,000 (within 150 basis points of NBBO) for the Standard Rebate and $100,000 (within 50 basis points of NBBO) for the Enhanced Rebate; and (4) average spread will be less than 125 basis points for the Standard Rebate and less than 25 basis points for the Enhanced Rebate.

Nasdaq is proposing these changes to the DLP Program to modernize it so that it becomes a program that is more market quality focused rather than transaction-based. The new MQMs are intended to encourage DLPs to uphold better quality markets in Nasdaq-listed ETPs and also ensure a scalable business model to support new and incubating ETPs that often trade less on a daily basis (i.e., certain rebates will be on a fixed amount rather than on a per executed share basis).

Additionally, the Exchange proposes to amend Equity 7, Section 114(f)(4) to address Secondary DLPs. If there are two DLP assignments for a Nasdaq-listed ETP, the Secondary DLP will be determined by using the factors in Section 114(f)(2). The Secondary DLP will qualify for rebates in ETPs if it meets two of the four Enhanced MQMs noted above. The Exchange believes that allowing two DLPs will work to further support the market quality in lower average daily volume ("ADV") ETPs and increase

[7] Equity 7, Section 114(h)(9) says "The term "regular market hours" means 9:30 a.m. through 4:00 p.m., or such shorter period as may be designated by Nasdaq on a day when the securities markets close early."

resiliency in market quality performance. By incentivizing more than one market maker to meet the increased MQMs, lower ADV ETPs now have more market makers who are incentivized to provide quote quality and layering of notional depth, which can be a benefit if the Primary DLP has an unforeseen quoting or technology issue. Also, by adding the MQMs, the Primary and Secondary DLP are incentivized to not only provide quotes at the NBBO but also other important quote quality metrics around the NBBO.

Amend Rebate Tiers to Include Standard and New Enhanced Rebates and Update Schedule from Three to Five Tiers, and Address Secondary DLPs

Currently, the Exchange provides rebates in Equity 7, Section 114(f)(5)(A) that are in lieu of or in addition to, as specified, other rebates or fees provided under Equity 7, Sections 114 and 118. The Exchange proposes to change the current schedule of three tiers[8] to an updated schedule with five tiers and will clarify that the rebates will only apply to MPIDs where a member is a Primary DLP.

The proposed amended schedule contains five tiers based on monthly ADV and includes both a Standard Rebate and an Enhanced Rebate for Primary DLPs. Tier 1 will apply to ETPs with monthly ADV greater than 1 million in the prior month with a Standard Rebate of $0.0034 per executed share and with an Enhanced Rebate of $0.0036 per executed share. Tier 2 will apply to ETPs with monthly ADV between 250,001 and 1 million in the prior month with a Standard Rebate of $0.0040 per executed share and with an Enhanced Rebate of $0.0042 per executed share. Tier 3 will apply to ETPs with

[8] The current three tiers are: (1) $0.0070 per executed share for ETPs with monthly ADV less than 500,000 in the prior month; (2) $0.0042 per executed share for ETPs with monthly ADV between 500,000 and 5 million in the prior month; and (3) $0.0036 per executed share for ETPs with monthly ADV greater than 5 million in the prior month. Enhanced Rebates are not addressed in the current schedule.

monthly ADV between 150,001 and 250,000 in the prior month with a Standard Rebate of $200 per month and with an Enhanced Rebate of $350 per month. Tier 4 will apply to ETPs with monthly ADV between 50,001 and 150,000 in the prior month with a Standard Rebate of $225 per month and with an Enhanced Rebate of $450 per month. Tier 5 will apply to ETPs with monthly ADV less than 50,001 in the prior month with a Standard Rebate of $300 per month and with an Enhanced Rebate of $500 per month. The Tier 3 – 5 rebates will be in addition to any other rebates the Primary DLP qualifies for under Equity 7, Sections 114 and 118.

Currently, the Exchange's DLP Program incentivizes DLPs with a transaction-style rebate with one market quality requirement (time at inside at least 20%). While this does benefit some ETPs, it may not be satisfactory for lower volume ETPs, which are often new and incubating products that need a different support model from the Nasdaq. The Exchange believes the changes will better position these ETPs for success and benefit the issuers and market makers by offering a fixed rebate for meeting more market quality requirements in lower volume ETPs.

Nasdaq believes that by allowing a hybrid-style rebate program (transaction and fixed rebate), the Exchange can better support the market makers’ business model. The Exchange believes that the amended DLP Program and market quality requirements will serve to better align the Exchange incentives with a more scalable and reliable model for DLPs, as well as increase market quality performance in Nasdaq-listed ETPs. The Exchange decided to retain a per executed share rebate model for ETPs with an ADV greater than 250,001. Based on issuer and market maker feedback, it was evident that for more actively traded ETPs this model may provide greater incentives for DLPs while still holding DLPs to more stringent MQMs.

The Exchange also proposes that if there is more than one DLP to an assigned ETP, then the Secondary DLP receives $150 per month or an additional $0.0003 per executed share, depending upon the tier, which will be in addition to any other rebate the Secondary DLP is eligible for under Equity 7, Sections 114 and 118. The Exchange believes that by allowing two DLPs (the Secondary DLP will be determined by using the factors in Equity 7, Section 114(f)(2)) will work to further support the market quality in lower ADV ETPs and increase resiliency in market quality performance.

<u>Change Existing Additional Tape C ETP Incentives and Add New Tier</u>

In addition, the Exchange proposes to change the existing Additional Tape C ETP Incentives in Equity 7, Section 114(f)(5)(B), as well as add a new tier. The rebates are provided to an eligible member for each displayed share that adds liquidity in a Tape C ETP that meets the criteria of Equity 7, Section 114(f)(1)(A) and will only apply to the MPID where a member is a DLP.

The Exchange proposes to amend the Incremental Tape C ETP Rebate for Tier 1 (applicable to members with a minimum monthly average of 10 assigned ETPs as a DLP) to decrease from $0.0003 per executed share to $0.0002 per executed share. The Exchange proposes to amend the Incremental Tape C ETP Rebate for Tier 2 (applicable to members with a minimum monthly average of 25 assigned ETPs as a DLP) to decrease from $0.0004 per executed share to $0.0003 per executed share. The Exchange proposes to amend the Incremental Tape C ETP Rebate for Tier 3 (applicable to members with a minimum monthly average of 50 assigned ETPs as a DLP) to decrease from $0.0005 per executed share to $0.0004 per executed share. Finally, the Exchange proposes to add a Tier 4 that will have an Incremental Tape C ETP Rebate of $0.0005 per executed share applicable to members with a minimum monthly average of 100 assigned ETPs as a DLP. In addition, the Exchange will eliminate the existing language at the end of the rule.[9] The Exchange is updating the Tape C ETP rebate to better reflect the growing number of ETP listings on Nasdaq. The Exchange is proposing to eliminate the existing language at the end of Equity 7, Section 114(f)(5)(B) that follows the Additional Tape C ETP Incentives schedule because the Exchange believes it was not an effective part of the DLP Program, and that the amended rebates will be more impactful to ETF issuers and market makers.

2. Statutory Basis

The Exchange believes that its proposals are consistent with Section 6(b) of the Act,[10] in general, and further the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,[11] in particular, in that they provide for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using its facilities and do not unfairly discriminate between customers, issuers, brokers or dealers. The Exchange also notes that its ETP listing business operates in a highly-competitive market in which market participants, which include both DLPs and ETP issuers, can readily transfer their listings or opt not to participate, respectively, if they deem fee levels, liquidity incentive programs, or any other factor at a particular venue to be insufficient or excessive. The proposed rule change reflects a competitive pricing structure designed to incentivize

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9 The rule language currently says "If a current DLP has less than 10 DLP assignments, but increases the number of ETPs for which it is a DLP by 100%, the DLP will receive an incremental additional Tape C ETP rebate of $0.0001. A DLP receiving its first assignment will count as a 100% increase. This incremental rebate is only available for the first 100% increase and thus is not available for subsequent increases of 100%."

10 15 U.S.C. 78f(b).

11 15 U.S.C. 78f(b) (5).

issuers to list new products and transfer existing products to the Exchange and market participants to enroll and participate as DLPs on the Exchange, which the Exchange believes will enhance market quality in qualified ETPs listed on the Exchange.

Add Exchange Traded Fund Shares, Proxy Portfolio Shares and Managed Portfolio Shares to List that may be Designated as a Qualified Security

The Exchange believes that the change to expand the list of securities that may be designated as a "Qualified Security" to include Exchange Traded Fund Shares under Nasdaq Rule 5704, Proxy Portfolio Shares under Nasdaq Rule 5750 and Managed Portfolio Shares under Nasdaq Rule 5760, as long as they have at least one DLP, is reasonable and would be consistent with the public interest and the protection of investors because investors will not be harmed and in fact would benefit from increased clarity and transparency of the Pricing Schedule. The inclusion of Exchange Traded Fund Shares is not a substantive change, but being added as a clarification because the securities listed under Nasdaq Rule 5704 are already covered by Nasdaq Rules 5705 and 5735 and this simply clarifies that such a security may be designated as a "Qualified Security." The addition of Proxy Portfolio Shares and Managed Portfolio Shares to the list of securities that may be designated as a "Qualified Security" is reasonable because low ADV semi-transparent ETPs also need support from a market quality perspective just like traditional ETPs. Since these products are new and incubating, the Exchange believes the DLP changes will be beneficial to these ETFs as well.

Amend Equity 7, Section 114(f)(4) to Revise the Monthly Performance Criteria Related to Specific Rebates provided under Equity 7, Section 114(f)(5), and to Address Secondary DLPs

The Exchange believes that amending Equity 7, Section 114(f)(4) to revise the monthly performance criteria related to the specific rebates provided under Equity 7, Section 114(f)(5) by better aligning the behavior required to qualify for rebates with the nature of the rebates provided is reasonable because the Exchange must from time to time assess the effectiveness of the incentives it provides to market participants in return for the beneficial behavior required to receive the incentive. In this case, the Exchange is amending the program so that a Primary DLP will need to meet all four of the Standard MQMs in the assigned ETP as measured by Nasdaq to qualify for the Standard Rebate and all four of the Enhanced MQMs in the assigned ETP as measured by Nasdaq to qualify for the Enhanced Rebate. These MQMs are measured on average in the assigned ETP during regular market hours: (1) time at the NBBO will be 20% for the Standard Rebate and 50% for the Enhanced Rebate; (2) time within 5 basis points of NBBO will be 50% for the Standard Rebate and 75% for the Enhanced Rebate; (3) notional depth will be $100,000 (within 150 basis points of NBBO) for the Standard Rebate and $100,000 (within 50 basis points of NBBO) for the Enhanced Rebate; and (4) average spread will be less than 125 basis points for the Standard Rebate and less than 25 basis points for the Enhanced Rebate.

The Exchange believes that the proposed eligibility criteria are an equitable allocation and are not unfairly discriminatory because the Exchange will apply the same criteria to all DLPs. The Exchange also believes that the proposed eligibility criteria are an equitable allocation and are not unfairly discriminatory among Exchange members because any member may become a market maker and take the steps necessary to also become a DLP, including meeting the proposed minimum criteria under Equity 7, Section

114(f)(4).[12] The DLP Program is limited to Exchange market makers because of their unique role in the markets, including their obligation to provide liquidity in the securities in which they are registered. Thus, the DLP Program is a further extension of the market maker's role in providing liquidity in specific securities, to the benefit of all market participants.

The Exchange also believes these changes are an equitable allocation and are not unfairly discriminatory because the Exchange is proposing these changes to the DLP Program to modernize it so that it becomes a program that is more market quality focused rather than transaction-based (i.e., the Exchange will pay fixed amount rebates that fall within Tiers 3 – 5). The new MQMs are intended to encourage DLPs to uphold better quality markets in Nasdaq-listed ETPs and also ensure a scalable business model to support new and incubating ETPs that often trade less on a daily basis.

The Exchange believes that its proposal to amend Equity 7, Section 114(f)(4) to address Secondary DLPs is reasonable because it allows that if there are two DLP assignments for a Nasdaq-listed ETP (the Secondary DLP will be determined by using the factors in Section 114(f)(2)) and that the Secondary DLP will qualify for rebates in ETPs if it meets two of the four Enhanced MQMs as noted above. The Exchange believes that this proposal is an equitable allocation and is not unfairly discriminatory because allowing two DLPs will work to further support the market quality in lower ADV ETPs and increase resiliency in market quality performance. Additionally, the Exchange believes that by incentivizing more than one market maker to meet the increased MQMs, lower ADV ETPs now have more market makers who are incentivized

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12 The Exchange will select DLPs based on the factors in Equity 7, Section 114(f)(2).

to provide quote quality and layering of notional depth, which can be a benefit if the Primary DLP has an unforeseen quoting or technology issue. Also, by adding the MQMs, the Primary and Secondary DLP are incentivized to not only provide quotes at the NBBO but also other important quote quality metrics around the NBBO.

The Exchange believes that its proposals to add additional MQMs and rebates are not unfairly discriminatory because these rebates are available to all qualifying members and reward meaningful quote quality and liquidity in ETPs. Moreover, these proposals stand to improve the overall market quality of the Exchange, to the benefit of all market participants, by allowing a hybrid-style rebate program (transaction and fixed rebate), the Exchange can better support the market makers' business model. The Exchange believes that the amended DLP Program and market quality requirements will serve to better align the Exchange incentives with a more scalable and reliable model for DLPs, as well as increase market quality performance in Nasdaq-listed ETPs.

<u>Amend Rebate Tiers to Include Standard and New Enhanced Rebates and Update Schedule from Three to Five Tiers, and Address Secondary DLPs</u>

The Exchange believes that its proposal to amend the DLP Program's rebate tiers to include Standard and new Enhanced Rebates and updating the Pricing Schedule from three to five tiers, and to clarify that the rebates will only apply to MPIDs where a member is a Primary DLP, and that Tier 3 – 5 rebates will be in addition to any other rebates the Primary DLP qualifies for under Equity 7, Sections 114 and 118, is reasonable because it will encourage DLPs to uphold better quality markets in Nasdaq-listed ETPs through being more market quality focused rather than transaction-based. Currently, the Exchange's DLP Program incentivizes DLPs with a transaction-style rebate with one market quality requirement (time at inside at least 20%). Although this does benefit some ETPs, it may not be satisfactory for lower volume ETPs, which are often new and incubating products that need a different support model from the Exchange.

The Exchange believes that amending the DLP Program as proposed is an equitable allocation of rebates and is not unfairly discriminatory because it will allocate its rebates fairly among its market participants (i.e., the Exchange will pay higher rebates to DLPs that meet higher MQMs and will pay DLPs higher fixed rebates for the ETPs with lower ADVs). It will better position these lower volume ETPs for success and will benefit issuers and market makers by offering a fixed rebate for meeting more market quality requirements in lower volume ETPs.

Specifically, the Exchange proposes to change the current schedule under Equity 7, Section 114(f)(5) from three tiers to five tiers.[13] The proposed five tiers are based on monthly ADV and includes both a Standard Rebate and an Enhanced Rebate. The Exchange believes this proposal is an equitable allocation of rebates and is not unfairly discriminatory because by allowing for a fixed payment in lower ADV products, it provides for a more reliable business model for DLPs while adding on quote and market quality requirements and reflects an equitable allocation of rebates. Additionally, by allowing a hybrid style rebate program (transaction-based and a fixed rebate), the Exchange can better support the market makers' business model. The Exchange believes that the DLP Program, as amended, will better align incentives with a more scalable and reliable model for DLPs and increase market quality performance in Nasdaq-listed ETPs. Additionally, retaining a per executed share rebate model for ETPs with an ADV greater than 250,001 may provide greater incentives for DLPs while still holding DLPs to more

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[13] See supra note 8.

stringent MQMs.

The Exchange also believes that its proposal that if there is more than one DLP to an assigned ETP, then the Secondary DLP receives $150 per month or an additional $0.0003 per executed share, depending upon the tier, will be in addition to any other rebate the Secondary DLP is eligible for under Equity 7, Sections 114 and 118 is an equitable allocation of rebates and is not unfairly discriminatory because allowing two DLPs (the Secondary DLP will be determined by using the factors in Section 114(f)(2)) will work to further support the market quality in lower ADV ETPs and increase resiliency in market quality performance.

The Exchange believes that its proposals are not unfairly discriminatory. As an initial matter, the Exchange believes that nothing about its tiered pricing model is inherently unfair; instead, it is a rational pricing model that is well-established and ubiquitous in today's economy among firms in various industries – from co-branded rebate cards to grocery stores to cellular telephone data plans – that use it to reward the loyalty of their best customers that provide high levels of business activity and incent other customers to increase the extent of their business activity. It is also a pricing model that the Exchange and its competitors have long employed with the assent of the Commission. It is fair because it incentivizes customer activity that increases liquidity, enhances price discovery, and improves the overall quality of the equity markets.

The Exchange also believes that its amended Pricing Schedule is not unfairly discriminatory because if successful, it stands to improve the quality of the Nasdaq market, to the benefit of all market participants. The Exchange has limited resources with which to apply to incentives, and it must allocate those limited resources in a manner that prioritizes areas of greatest need and potential effect.

Change Existing Additional Tape C ETP Incentives and Add New Tier

The Exchange believes that its proposal to amend the existing Additional Tape C ETP Incentives in Equity 7, Section 114(f)(5)(B) and add a new tier is reasonable because it allows an eligible member for each displayed share that adds liquidity in a Tape C ETP that meets the criteria of Equity 7, Section 114(f)(1)(A) to receive a rebate and limits it those MPIDs where a member is a DLP. ETP listings is a highly competitive market in which ETP issuers and DLPs can opt to not participate or transfer listings. The additional tier reflects the growing number of ETPs listed on Nasdaq.

In addition, the Exchange believes it is reasonable to eliminate the existing language at the end of the rule because the Exchange believes it was not an effective part of the DLP Program, and that the amended rebates will be more impactful to ETF issuers and market makers. . The Exchange also believes that making a technical change in the second sentence of Equity 7, Section 114(f)(5)(B) to change "Rebate" to "rebate" is reasonable since it is merely a clarification that improves the sentence.

The Exchange believes that amending the DLP Program as proposed is an equitable allocation of rebates and is not unfairly discriminatory because it will allocate its rebates fairly among its market participants (i.e., the Exchange will pay higher rebates for DLPs with more ETPs assigned). Additionally, it will better position these lower volume ETPs for success and will benefit issuers and market makers.

The Exchange also believes that amending the DLP Program as proposed is an equitable allocation of rebates and is not unfairly discriminatory because it is intended to encourage DLPs to promote better market quality and liquidity in qualified Nasdaq-listed

ETPs. By providing increased rebates based on better market quality and their DLP footprint, the Exchange believes that it will encourage DLPs to register, quote and trade in more ETPs on Nasdaq. Additionally, the Exchange believes the updated rebates will incentivize DLPs to register to support additional ETPs, especially lower ADV products.

The Exchange also believes that its proposal to amend the existing Additional Tape C ETP Incentives in Equity 7, Section 114(f)(5)(B) and add a new tier is not unfairly discriminatory because if successful, it stands to improve the quality of the Nasdaq market, to the benefit of all market participants. The Exchange has limited resources with which to apply to incentives, and it must allocate those limited resources in a manner that prioritizes areas of greatest need and potential effect

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem rebates or fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its rebates and fees to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own rebates and fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which rebate and fee changes in this market may impose any burden on competition is extremely limited.

In this instance, the Exchange is proposing to modify the incentives provided to market makers for participation in the DLP program in an effort to improve the program by providing more targeted incentives to improve and increase market quality in ETPs that are in need of such improvement the most. The Exchange uses incentives, such as the rebates of the DLP program, to incentivize market participants to improve the market. The Exchange must, from time to time, assess the effectiveness of incentives and adjust them when they are not as effective as the Exchange believes they could be. Moreover, the Exchange is ultimately limited in the amount of rebates it may offer. The proposed new criteria and incentives are reflective of such an analysis.

The Exchange notes that participation in the DLP program is entirely voluntary and, to the extent that registered market makers determine that the rebates are not in line with the level of market-improving behavior the Exchange requires, a DLP may elect to deregister as such with no penalty. The Exchange notes that it is amending the MQMs required for a DLP to receive an increased rebate under the program, and thus there is a risk that a DLP may not qualify for any of the increased incentives under the amended program if it provides the same level market participation, but will still qualify for their regular base rebate.

The Exchange does not believe that the proposed changes place an unnecessary burden on competition and, in sum, if the changes proposed herein are unattractive to market makers, it is likely that the Exchange will lose participation in the DLP program as a result. As noted above, the Exchange is continuing to limit eligibility for the program to Exchange market makers. The Exchange believes that Exchange market makers are best positioned to provide market improvement in DLP Program ETPs in light of their unique function in the markets. Moreover, any Exchange member may elect to take the steps necessary to become an Exchange market maker and therefore become eligible for the program if they choose. The Exchange will continue to select DLPs based on the factors in Equity 7, Section 114(f)(2). Thus, the Exchange does not believe that the proposal represents a burden on competition among Exchange members, or that the proposal will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets.

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

No written comments were either solicited or received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.[14]

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.

[14] 15 U.S.C. 78s(b)(3)(A)(ii).

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (http://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NASDAQ-2021-046 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-NASDAQ-2021-046. 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-2021-046 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.[15]

J. Matthew DeLesDernier
Assistant Secretary

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[15] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

The Nasdaq Stock Market LLC Rules

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Equity 7 Pricing Schedule

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Section 114. Market Quality Incentive Programs

(a) – (e) No Change.

Designated Liquidity Provider ("DLP") Program

(f) The following fees and rebates discussed in this section shall apply to transactions in a Qualified Security by one of its Designated Liquidity Providers associated with its DLP Program MPID. These rebates and fees only apply for executions $1 per share and above. As used in the DLP Program, the term average daily volume ("ADV") shall mean the total consolidated volume reported to all consolidated transaction reporting plans, for each individual security, by all exchanges and trade reporting facilities during a month divided by the number of trading days during the month. If a security is not listed for a full month the number of trading days will only include the days which the security is listed.

For purposes of this paragraph:

(1) A security may be designated as a "Qualified Security" if:

(A) it is an exchange-traded product listed on Nasdaq pursuant to Nasdaq Rules 5704, 5705, 5710, 5720, 5735, [or]5745, 5750 or 5760; and

(B) it has at least one Designated Liquidity Provider.

(2) A "Designated Liquidity Provider" or "DLP" is a registered Nasdaq market maker for a Qualified Security that has committed to maintain minimum performance standards. A DLP shall be selected by Nasdaq based on factors including, but not limited to, experience with making markets in exchange-traded products, adequacy of capital, willingness to promote Nasdaq as a marketplace, issuer preference, operational capacity, support personnel, and history of adherence to Nasdaq rules and securities laws. Nasdaq may limit the number of DLPs in a security, or modify a previously established limit, upon prior written notice to members.

(3) If a DLP does not meet the performance measurements under paragraph (4) of this section for a given month, fees and credits will revert to the normal schedule under Sections 118(a) and 114. If a DLP does not meet the stated performance measurements for 3 out of the past 4 months, the DLP is subject to forfeit of DLP status for that Qualified Security, at Nasdaq's discretion. A DLP must provide 5 days written notice if it wishes to withdraw its registration in a Qualified Security, unless it is also withdrawing as a market maker in the Qualified Security.

(4) Below are the monthly performance criteria related to the specific fees and rebates provided under paragraph (5) below:

[Basic]Primary DLP Rebates	[DLP must be at the national best bid (best offer) ("NBBO") at least 20% of the time on average in the assigned ETP.] Primary DLPs will need to meet all 4 Standard Market Quality Metrics in the assigned ETP as measured by Nasdaq to qualify for the Standard Rebate, and all 4 Enhanced Market Quality Metrics in the assigned ETP as measured by Nasdaq to qualify for the Enhanced Rebate. These Market Quality Metrics are measured on average in the assigned ETP during regular market hours: 1. Time at the national best bid (best offer) ("NBBO") (Standard Rebate: 20%; Enhanced Rebate: 50%) 2. Time within 5 basis points of NBBO (Standard Rebate: 50%; Enhanced Rebate: 75%) 3. Notional Depth (Standard Rebate: $100,000 (within 150 basis points of NBBO); Enhanced Rebate: $100,000 (within 50 basis points of NBBO)) 4. Average Spread (Standard Rebate: less than 125 basis points; Enhanced Rebate: less than 25 basis points)
Secondary DLP Rebates	• If there are 2 DLP assignments for a Nasdaq-listed ETP, the Secondary DLP will be determined by using the factors in Section 114(f)(2). • The Secondary DLP qualifies for rebates in ETPs if it meets any 2 of the 4 Enhanced Market Quality Metrics.
Additional Tape C ETP Incentives	The average time the DLP is at the NBBO for each assigned ETP averages at least 20%, and the average liquidity provided by the DLP for each assigned ETP averages at least 5% of the liquidity provided on Nasdaq in the respective ETP.

(5) A DLP that satisfies the [performance criteria]Market Quality Metrics above, will be eligible to receive the rebates provided in paragraph (A) below in each of its assigned ETPs for which it qualified, and the rebates provided in paragraph (B) in any Tape C ETP that meets the criteria of paragraph (1)(A) above. The rebates in paragraph (A) below are in lieu of or in addition to, as specified, other rebates or fees provided under Equity 7, Sections 118 and 114. The rebates in paragraph (B) below will be in addition to other rebates or fees provided under Equity 7, Sections 118 and 114, including those in paragraph (A).

(A) [Basic]DLP Rebates

If an ETP meets one of the below requirements, an eligible DLP will receive the rebate for which it qualifies for each displayed share that adds liquidity in the ETP for Tiers 1-2. For Tiers 3-5 the Primary DLP will be eligible to receive a fixed payment per month in addition to any other rebate the Primary DLP is eligible for under Equity 7, Sections 114 and 118. These rebates will only apply to the MPID where a member is a Primary DLP:

[ETP with monthly ADV less than 500,000 in the prior month	ETP with monthly ADV between 500,000 and 5 million in the prior month	ETP with monthly ADV greater than 5 million in the prior month
$0.0070 per executed share	$0.0042 per executed share	$0.0036 per executed share]

TIERS	**ADV**	**STANDARD REBATE**	**ENHANCED REBATE**
Tier 1	ETP with monthly ADV greater than 1 million in the prior month	$0.0034 per executed share	$0.0036 per executed share
Tier 2	ETP with monthly ADV between 250,001 and 1 million in the prior month	$0.0040 per executed share	$0.0042 per executed share
Tier 3	ETP with monthly ADV between 150,001 and 250,000 in the prior month	$200 per month	$350 per month
Tier 4	ETP with monthly ADV between 50,001 and 150,000 in the prior month	$225 per month	$450 per month
Tier 5	ETP with monthly ADV less than 50,001 in the prior month	$300 per month	$500 per month

If there is a Secondary DLP assigned to an ETP, then the following rebate schedule is applied:

• Tiers 1 - 2: an additional $0.0003 per executed share that is in addition to any other rebate the Secondary DLP is eligible for under Equity 7, Sections 114 and 118.

• Tiers 3 - 5: an additional $150 per month that is in addition to any other rebate the Secondary DLP is eligible for under Equity 7, Sections 114 and 118.

(B) Additional Tape C ETP Incentives

The following rebates are provided to an eligible member for each displayed share that adds liquidity in a Tape C ETP that meets the criteria of paragraph (1)(A) above. This [R]rebate will only apply to the MPID where a member is a DLP:

	Tier 1	**Tier 2**	**Tier 3**	**Tier 4**
Minimum Monthly Average Number of Assigned ETPs as a DLP	10	25	50	100
Incremental Tape C ETP Rebate	$0.0002[3] per executed share	$0.0003[4] per executed share	$0.0004[5] per executed share	$0.0005 per executed share

[If a current DLP has less than 10 DLP assignments, but increases the number of ETPs for which it is a DLP by 100%, the DLP will receive an incremental additional Tape C ETP rebate of $0.0001. A DLP receiving its first assignment will count as a 100% increase. This incremental rebate is only available for the first 100% increase and thus is not available for subsequent increases of 100%.]

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