

Required fields are shown with yellow backgrounds and asterisks.

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

File No. * SR 2021 - * 089

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 * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule		
			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input 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
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 retire certain order entry protocols and related fees, at Equity 7, Section 115

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 * Brett Last Name * Kitt

Title * AVP, Principal Associate General Counsel

E-mail * brett.kitt@nasdaq.com

Telephone * (301) 978-8132 Fax

Signature

Pursuant to the requirements of the Securities Exchange of 1934, The Nasdaq Stock Market LLC has duty caused this filing to be signed on its behalf by the undersigned thereunto duty authorized.

Date 11/04/2021

(Title *)

By John Zecca

EVP & Chief Legal Officer

(Name *)

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

 Date: 2021.11.04 16:46:44 -04'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EDFS website.

Form 19b-4 Information *

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SR-NASDAQ-2021-089 19b-4.docx

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 *

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SR-NASDAQ-2021-089 Exhibit 1.docx

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 Advanced Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change 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

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 Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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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 Sent As Paper Document

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

Add Remove View

SR-NASDAQ-2021-089 Exhibit 5.docx

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”)¹ and Rule 19b-4 thereunder,² is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to retire certain order entry protocols and related fees, at Equity 7, Section 115, as described further below.

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

The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors of the Exchange (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:

Brett M. Kitt
AVP, Principal Associate General Counsel
Nasdaq, Inc.
(301) 978-8132

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 this proposal is for the Exchange to discontinue the following order entry protocols: (i) QIX OTCBB,³ effective as of November 8, 2021; (ii) CTCI⁴ (except for CTCI MFUND, which will remain active), effective as of November 22, 2021; and (iii) BRUT FIX and SUMO FIX, effective as of November 22, 2021. The Exchange also proposes to amend Equity 7, Section 115 of the Exchange’s Rules to reflect the retirement of these protocols and their related fees.

In Equity 7, Section 115(a), the Exchange proposes to delete references to two QIX-related fees that relate to QIX OTCBB: (i) a \$1,200/port/month fee for a FINRA trading port (plus optional proprietary quote information port); and (ii) a \$1000/port/month fee for a FINRA unsolicited message port.⁵ The Exchange proposes to

³ The QIX Order entry protocol is a Nasdaq proprietary protocol that allows automated, real-time trading. See <https://www.nasdaqtrader.com/Trader.aspx?id=qix>. QIX OTCBB, in particular, is utilized to enter orders on FINRA’s Over the Counter Bulletin Board (“OTCBB”) platform.

⁴ The Computer-to-Computer Interface (“CTCI”) is a method by which Nasdaq subscribers can enter transactions, such as Nasdaq Market Center orders and trade reports, from their computer systems to Nasdaq’s computer systems without using a Nasdaq Workstation. See <https://www.nasdaqtrader.com/Trader.aspx?id=ctci>. In this instance, the Exchange proposes to discontinue use of two varieties of CTCI – CTCI/TCP and CTCI/MQ that are used for the FINRA/Nasdaq Trade Reporting Facility Carteret (“FINRA/Nasdaq TRF Carteret”) and ACES. As is discussed below, participants will use the FIX order entry protocol with the FINRA/Nasdaq TRF Carteret and ACES, on a going-forward basis.

⁵ An “unsolicited message port” is used to separate the message traffic for FINRA exceptions which are no longer applicable due to rule changes. There are no active users or configured ports under this category.

delete these fees because QIX OTCBB is used for interacting with the FINRA OTCBB platform, which FINRA plans to decommission, effective November 5, 2021.⁶ Nasdaq has provided prior notice of the pending retirement of QIX OTCBB.⁷ As of the date of this filing, less than 20 QIX OTCBB ports (FINRA trading ports, at \$1,200 per port per month) remain active, such that the impact of the proposal to discontinue offering QIX OTCBB will have little practical effect. The availability of Nasdaq's proprietary QIX trading ports and disaster recovery ports will be unaffected by this proposal as QIX will continue to be available for use in sending orders and receiving messages from Nasdaq (at no charge).

The Exchange proposes to discontinue the CTCTI/TCP and CTCTI/MQ protocols for communicating trade information to the FINRA/Nasdaq TRF Carteret and trade and order information to ACES⁸ because it plans to replace these protocols with the FIX (FIX Port for services other than Trading and FIX Trading Port, respectively) order entry

⁶ See <https://www.finra.org/filing-reporting/market-transparency-reporting/reminder-upcoming-retirement-otc-bulletin-board-otcbb>; <https://www.finra.org/filing-reporting/market-transparency-reporting/upcoming-retirement-otc-bulletin-board-otcbb>. See also FINRA Regulatory Notice 21-28 (August 6, 2021), available at <https://www.finra.org/sites/default/files/2021-08/Regulatory-Notice-21-28.pdf>.

⁷ See Nasdaq Equity Trader Alert 2020-28 Regulatory Notice 21-28 (August 6, 2021), available at <http://www.nasdaqtrader.com/TraderNews.aspx?id=ETA2020-28>.

⁸ ACES is an order routing system that allows user to route orders between order-entry firms and market makers that have established relationships. See <http://nasdaqtrader.com/Trader.aspx?id=ACES>. The Exchange notes that when customers transition from CTCTI to FIX for purposes of communicating with ACES or the FINRA/Nasdaq TRF Carteret, they will realize a cost savings of \$25 per port per month and \$75 per port per month, respectively.

protocol, going forward. Again, Nasdaq⁹ has provided prior notice to market participants of the impending transition from CTCI/TCP and CTCI/MQ to FIX. As of the date of this filing, less than 15 CTCI/TCP and CTCI/MQ ports remain active, such that the impact of the proposal to discontinue offering CTCI/TCP & CTCI/MQ will have little practical effect. The Exchange has already transitioned most other subscribers to FIX. Going forward, the Exchange proposes to continue to offer CTCI for use by participants in the Nasdaq Fund Network¹⁰ (“CTCI MFUND”), due to the fact that FIX does not provide the capabilities that these participants require for use with the Nasdaq Fund Network. The Exchange proposes to amend Equity 7, Section 115(c), to specify that going forward, fees relating to CTCI will be limited to CTCI MFUND.

Finally, the Exchange proposes to discontinue offering BRUT FIX and SUMO FIX, as these are older varieties of the FIX order entry protocol that are legacies of prior application acquisitions and are now obsolete as their specifications have been integrated into the standard FIX protocol specification and the standard Nasdaq INET applications. Going forward, market participants that utilize BRUT FIX and SUMO FIX will be required to utilize FIX Trading Ports instead at the same price per port per month. Given

⁹ See Nasdaq Equity Trader Alert 2021-80 (October 14, 2021), available at <http://www.nasdaqtrader.com/TraderNews.aspx?id=%20ETA2021-80>; Nasdaq Equity Trader Alert 2021-59 (August 9, 2021), available at <http://www.nasdaqtrader.com/TraderNews.aspx?id=ETA2021-59>; Nasdaq Equity Trader Alert 2021-18 (March 11, 2021), available at <http://www.nasdaqtrader.com/TraderNews.aspx?id=ETA2021-18>; Nasdaq Equity Trader Alert 2020-28 (May 21, 2020), available at <http://www.nasdaqtrader.com/TraderNews.aspx?id=ETA2020-28>.

¹⁰ The Nasdaq Fund Network facilitates the collection and dissemination of performance NAV, valuation, and strategy-level reference data for over 35,000 investable products. See <https://www.nasdaq.com/solutions/nasdaq-fund-network>.

that only a small number of market participants continue to use BRUT FIX and SUMO FIX ports, Nasdaq contacted these participants directly, as early as December 2020, to inform them of the impending transition. As of the date of this filing, only three ports remain, none which are in active use. Thus, the impact of the proposal to discontinue offering BRUT FIX and SUMO FIX will have little or no practical effect.

b. Statutory Basis

The Exchange believes that its proposals are consistent with Section 6(b) of the Act,¹¹ in general, and further the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,¹² 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 any facility, and are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The proposals are also consistent with Section 11A of the Act relating to the establishment of the national market system for securities.

The Exchange believes that its proposals to discontinue offering the QIX OTCBB, CTCI/TCP, CTCI/MQ, BRUT FIX, and SUMO FIX order entry protocols and to delete related fees are reasonable. In the case of QIX OTCBB, the proposal is reasonable given that FINRA plans to decommission the OTCBB platform to which market participants use QIX OTCBB to connect, such that after this decommissioning, there will be no further basis for offering or charging fees for use of QIX OTCBB ports. The other proposals, to discontinue offering and charging fees for ports using the CTCI/TCP, CTCI/MQ, BRUT FIX, and SUMO FIX order entry protocols are reasonable because

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(4) and (5).

these order entry protocols are associated with legacy applications and have become obsolete and the Exchange wishes to transition market participants to the newer and more capable FIX order entry protocol. The Exchange proposes to continue offering and charging fees for the CTCI MFUND order entry protocol because customers that utilize it cannot currently attain their existing functionality through the use of FIX.

The Exchange believes that it is an equitable allocation of its fees to cease charging customers for ports that connect to discontinued platforms or that use order entry protocols that have become obsolete and will be replaced with newer and more capable protocols.

The proposals are not unfairly discriminatory to existing users of the order entry protocols that the Exchange will eliminate. The Exchange continually invests in new technologies to serve its customers' growing and evolving needs. At the same time it deploys new technologies, the Exchange must also periodically cease to support, or retire, technologies that have become obsolete and are no longer widely used. To mitigate the effect of transitions to new technologies in this instance, the Exchange has provided ample prior notice to market participants and has assisted them in the transition process. As of the date of this filing, Nasdaq has already transitioned most of its customers from CTCI/TCP, CTCI/MQ, BRUT FIX, and SUMO FIX to using the FIX order entry protocol, such that the proposals will little to no practical impact on them. Given that FINRA plans to decommission OTCBB, Nasdaq's proposal to eliminate QIX OTCBB should have no effect on them.

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

The Exchange does not believe that its proposed rule changes will impose any burden on competition. Again, the proposal to eliminate the QIX OTCBB order entry

protocol will merely help to effectuate FINRA's elimination of the OTCBB platform, while the proposed elimination of the CTCTI/TCP, CTCTI/MQ, BRUT FIX, and SUMO FIX order entry protocols will serve to transition market participants to a newer and more capable alternative to these protocols. Participants should suffer no adverse competitive impact from the elimination of these order entry protocols.

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)¹³ of the Act and Rule 19b-4(f)(6) thereunder¹⁴ 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.

In this instance, the Exchange's proposals will not significantly affect the protection of investors or the public interest or impact competition. With respect to QIX OTCBB, the Exchange proposes to retire this protocol and its related fee because QIX

¹³ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁴ 17 CFR 240.19b-4(f)(6).

OTCBB will have no utility to market participants after FINRA decommissions its OTCBB platform in the coming days. With respect to the Exchange's proposals to discontinue offering and charging fees for ports using the CTCTI/TCP, CTCTI/MQ, BRUT FIX, and SUMO FIX order entry protocols, these order entry protocols have become obsolete and the Exchange wishes to transition market participants to the newer and more capable FIX order entry protocol at the same or less expensive prices. Moreover, for each of these changes, the Exchange has provided prior notice to subscribers to the affected ports and has assisted them in transitioning to new ports. As of the date of this filing, most market participants have already made the necessary transition, or their existing ports remain inactive, such that the practical impacts of the proposals will be minimal.

Furthermore, Rule 19b-4(f)(6)(iii)¹⁵ requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange requests a waiver of the pre-filing requirement in this instance so that it may effectuate the retirement of the QIX OTCBB protocol concurrent with FINRA's decommissioning of the OTCBB platform on November 5, 2021.

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

¹⁵ 17 CFR 240.19b-4(f)(6)(iii).

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 the Exchange may effectuate the retirement of the QIX OTCBB protocol concurrent with FINRA's decommissioning of the OTCBB platform on November 5, 2021. The Exchange believes that retirement of the QIX OTCBB protocol concurrent with the decommissioning of the FINRA OTCBB platform is in the public interest and will protect investors by avoiding the prospect that the Exchange will continue to charge customers for use of QIX OTCBB ports beyond the date when such ports can be utilized to communicate with OTCBB.

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-2021-089)

November __, 2021

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Retire Certain Order Entry Protocols and Related Fees, at Equity 7, Section 115

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 November 4, 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 transaction credits and charges at Equity 7, Section 115, as described further below. 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.

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 this proposal is for the Exchange to discontinue the following order entry protocols: (i) QIX OTCBB,³ effective as of November 8, 2021; (ii) CTCI⁴ (except for CTCI MFUND, which will remain active), effective as of November 22, 2021; and (iii) BRUT FIX and SUMO FIX, effective as of November 22, 2021. The Exchange also proposes to amend Equity 7, Section 115 of the Exchange’s Rules to reflect the retirement of these protocols and their related fees.

³ The QIX Order entry protocol is a Nasdaq proprietary protocol that allows automated, real-time trading. See <https://www.nasdaqtrader.com/Trader.aspx?id=qix>. QIX OTCBB, in particular, is utilized to enter orders on FINRA’s Over the Counter Bulletin Board (“OTCBB”) platform.

⁴ The Computer-to-Computer Interface (“CTCI”) is a method by which Nasdaq subscribers can enter transactions, such as Nasdaq Market Center orders and trade reports, from their computer systems to Nasdaq’s computer systems without using a Nasdaq Workstation. See <https://www.nasdaqtrader.com/Trader.aspx?id=ctci>. In this instance, the Exchange proposes to discontinue use of two varieties of CTCI – CTCI/TCP and CTCI/MQ that are used for the FINRA/Nasdaq Trade Reporting Facility Carteret (“FINRA/Nasdaq TRF Carteret”) and ACES. As is discussed below, participants will use the FIX order entry protocol with the FINRA/Nasdaq TRF Carteret and ACES, on a going-forward basis.

In Equity 7, Section 115(a), the Exchange proposes to delete references to two QIX-related fees that relate to QIX OTCBB: (i) a \$1,200/port/month fee for a FINRA trading port (plus optional proprietary quote information port); and (ii) a \$1000/port/month fee for a FINRA unsolicited message port.⁵ The Exchange proposes to delete these fees because QIX OTCBB is used for interacting with the FINRA OTCBB platform, which FINRA plans to decommission, effective November 5, 2021.⁶ Nasdaq has provided prior notice of the pending retirement of QIX OTCBB.⁷ As of the date of this filing, less than 20 QIX OTCBB ports (FINRA trading ports, at \$1,200 per port per month) remain active, such that the impact of the proposal to discontinue offering QIX OTCBB will have little practical effect. The availability of Nasdaq's proprietary QIX trading ports and disaster recovery ports will be unaffected by this proposal as QIX will continue to be available for use in sending orders and receiving messages from Nasdaq (at no charge).

The Exchange proposes to discontinue the CTCI/TCP and CTCI/MQ protocols for communicating trade information to the FINRA/Nasdaq TRF Carteret and trade and

⁵ An "unsolicited message port" is used to separate the message traffic for FINRA exceptions which are no longer applicable due to rule changes. There are no active users or configured ports under this category.

⁶ See <https://www.finra.org/filing-reporting/market-transparency-reporting/reminder-upcoming-retirement-otc-bulletin-board-otcbb>; <https://www.finra.org/filing-reporting/market-transparency-reporting/upcoming-retirement-otc-bulletin-board-otcbb>. See also FINRA Regulatory Notice 21-28 (August 6, 2021), available at <https://www.finra.org/sites/default/files/2021-08/Regulatory-Notice-21-28.pdf>.

⁷ See Nasdaq Equity Trader Alert 2020-28 Regulatory Notice 21-28 (August 6, 2021), available at <http://www.nasdaqtrader.com/TraderNews.aspx?id=ETA2020-28>.

order information to ACES⁸ because it plans to replace these protocols with the FIX (FIX Port for services other than Trading and FIX Trading Port, respectively) order entry protocol, going forward. Again, Nasdaq⁹ has provided prior notice to market participants of the impending transition from CTCI/TCP and CTCI/MQ to FIX. As of the date of this filing, less than 15 CTCI/TCP and CTCI/MQ ports remain active, such that the impact of the proposal to discontinue offering CTCI/TCP & CTCI/MQ will have little practical effect. The Exchange has already transitioned most other subscribers to FIX. Going forward, the Exchange proposes to continue to offer CTCI for use by participants in the Nasdaq Fund Network¹⁰ (“CTCI MFUND”), due to the fact that FIX does not provide the capabilities that these participants require for use with the Nasdaq Fund Network. The Exchange proposes to amend Equity 7, Section 115(c), to specify that going forward, fees relating to CTCI will be limited to CTCI MFUND.

⁸ ACES is an order routing system that allows user to route orders between order-entry firms and market makers that have established relationships. See <http://nasdaqtrader.com/Trader.aspx?id=ACES>. The Exchange notes that when customers transition from CTCI to FIX for purposes of communicating with ACES or the FINRA/Nasdaq TRF Carteret, they will realize a cost savings of \$25 per port per month and \$75 per port per month, respectively.

⁹ See Nasdaq Equity Trader Alert 2021-80 (October 14, 2021), available at <http://www.nasdaqtrader.com/TraderNews.aspx?id=%20ETA2021-80>; Nasdaq Equity Trader Alert 2021-59 (August 9, 2021), available at <http://www.nasdaqtrader.com/TraderNews.aspx?id=ETA2021-59>; Nasdaq Equity Trader Alert 2021-18 (March 11, 2021), available at <http://www.nasdaqtrader.com/TraderNews.aspx?id=ETA2021-18>; Nasdaq Equity Trader Alert 2020-28 (May 21, 2020), available at <http://www.nasdaqtrader.com/TraderNews.aspx?id=ETA2020-28>.

¹⁰ The Nasdaq Fund Network facilitates the collection and dissemination of performance NAV, valuation, and strategy-level reference data for over 35,000 investable products. See <https://www.nasdaq.com/solutions/nasdaq-fund-network>.

Finally, the Exchange proposes to discontinue offering BRUT FIX and SUMO FIX, as these are older varieties of the FIX order entry protocol that are legacies of prior application acquisitions and are now obsolete as their specifications have been integrated into the standard FIX protocol specification and the standard Nasdaq INET applications. Going forward, market participants that utilize BRUT FIX and SUMO FIX will be required to utilize FIX Trading Ports instead at the same price per port per month. Given that only a small number of market participants continue to use BRUT FIX and SUMO FIX ports, Nasdaq contacted these participants directly, as early as December 2020, to inform them of the impending transition. As of the date of this filing, only three ports remain, none which are in active use. Thus, the impact of the proposal to discontinue offering BRUT FIX and SUMO FIX will have little or no practical effect.

2. Statutory Basis

The Exchange believes that its proposals are consistent with Section 6(b) of the Act,¹¹ in general, and further the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,¹² 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 any facility, and are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The proposals are also consistent with Section 11A of the Act relating to the establishment of the national market system for securities.

The Exchange believes that its proposals to discontinue offering the QIX OTCBB, CTCI/TCP, CTCI/MQ, BRUT FIX, and SUMO FIX order entry protocols and to delete

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(4) and (5).

related fees are reasonable. In the case of QIX OTCBB, the proposal is reasonable given that FINRA plans to decommission the OTCBB platform to which market participants use QIX OTCBB to connect, such that after this decommissioning, there will be no further basis for offering or charging fees for use of QIX OTCBB ports. The other proposals, to discontinue offering and charging fees for ports using the CTCI/TCP, CTCI/MQ, BRUT FIX, and SUMO FIX order entry protocols are reasonable because these order entry protocols are associated with legacy applications and have become obsolete and the Exchange wishes to transition market participants to the newer and more capable FIX order entry protocol. The Exchange proposes to continue offering and charging fees for the CTCI MFUND order entry protocol because customers that utilize it cannot currently attain their existing functionality through the use of FIX.

The Exchange believes that it is an equitable allocation of its fees to cease charging customers for ports that connect to discontinued platforms or that use order entry protocols that have become obsolete and will be replaced with newer and more capable protocols.

The proposals are not unfairly discriminatory to existing users of the order entry protocols that the Exchange will eliminate. The Exchange continually invests in new technologies to serve its customers' growing and evolving needs. At the same time it deploys new technologies, the Exchange must also periodically cease to support, or retire, technologies that have become obsolete and are no longer widely used. To mitigate the effect of transitions to new technologies in this instance, the Exchange has provided ample prior notice to market participants and has assisted them in the transition process. As of the date of this filing, Nasdaq has already transitioned most of its customers from

CTCI/TCP, CTCI/MQ, BRUT FIX, and SUMO FIX to using the FIX order entry protocol, such that the proposals will have little to no practical impact on them. Given that FINRA plans to decommission OTCBB, Nasdaq's proposal to eliminate QIX OTCBB should have no effect on them.

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

The Exchange does not believe that its proposed rule changes will impose any burden on competition. Again, the proposals to eliminate the QIX OTCBB order entry protocol will merely help to effectuate FINRA's elimination of the OTCBB platform, while the proposed elimination of the CTCI/TCP, CTCI/MQ, BRUT FIX, and SUMO FIX order entry protocols will serve to transition market participants to a newer and more capable alternative to these protocols. Participants should suffer no adverse competitive impact from the elimination of these order entry protocols.

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 Act¹³ and subparagraph (f)(6) of Rule 19b-4 thereunder.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 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. Please include File Number SR-NASDAQ-2021-089 on the subject line.

¹³ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁴ 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-2021-089. 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-2021-089 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

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 Rules

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Equity 7: Equity Trading Rules

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Section 115. Ports and Services†

The charges under this section are assessed by Nasdaq for connectivity to services and the following systems operated by Nasdaq or FINRA: the Nasdaq Market Center, FINRA Trade Reporting and Compliance Engine (TRACE), the FINRA/Nasdaq Trade Reporting Facility, [FINRA's OTCBB Service,] and the FINRA OTC Reporting Facility (ORF). The following fees are not applicable to The Nasdaq Options Market LLC. For related options fees for Ports and other Services refer to Options 7, Section 3 of the Options Rules.

(a) Nasdaq Information Exchange (QIX)

[FINRA trading port (plus optional proprietary quote information port)	\$1200/port/month
FINRA unsolicited message port	\$1000/port/month]
Nasdaq trading port (plus optional proprietary quote information port)	No charge
Disaster recovery port	No charge

(b) Financial Information Exchange (FIX)

Ports	Price
FIX Trading Port (FIX, FIX Lite (FLITE)[, BRUT FIX, and SUMO FIX])	\$575/port/month
FIX Port for Services Other than Trading (FINRA/Nasdaq Trade Reporting Facilities Carteret and Chicago, ORF, and TRACE)	\$500/port/month*
Disaster recovery port	
(1) FIX Trading Port	\$25/port/month

(2) FIX Port for Services Other than Trading No charge

(c) Computer to Computer Interface (CTCI) Stations for MFUND

Fee Component	Fee
Per Station Fee	\$600/Station/month
Disaster recovery port	No charge

(d) – (g) No change.

† Fees are assessed in full month increments under this section, and thus are not prorated.

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