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

File No. * SR 2024 - * 042

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"/>
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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 *).

Proposal to amend Nasdaq listing rules under Rule 5710(k)(i) related to the criteria for Equity Index-Linked Securities

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 * Sun Last Name * Kim

Title * Associate General Counsel

E-mail * sun.kim@nasdaq.com

Telephone * (646) 420-7816 Fax


Signature

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

Date 07/22/2024 (Title *)

By John Zecca EVP and 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: 2024.07.22
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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-2024-042 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-2024-042 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

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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

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SR-NASDAQ-2024-042 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 amend its listing rules under Rule 5710(k)(i) related to the criteria for Equity Index-Linked Securities.

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”). 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:

Sun Kim
Associate General Counsel
Nasdaq, Inc.
646-420-7816

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 Exchange is submitting this proposal in order to bring its listing rules related to Equity Index-Linked Securities in line with those of NYSE Arca, Inc. (“Arca”) and Cboe BZX Exchange, Inc. (“BZX”).³ Rule 5710(k) sets forth certain rules related to the listing and trading of Linked Securities⁴ on the Exchange and Rule 5710(k)(i) relates specifically to the generic listing standards applicable to Equity Index-Linked Securities.⁵ Specifically, Rule 5710(k)(i)(A) provides that each index underlying a series of Equity Index-Linked Securities must include at least 10 component securities and meet the requirements of either Rule 5710(k)(i)(A)(1) or (2). Rule 5710(k)(i)(A)(1) provides that each index must have been reviewed and approved for the trading of options or other derivatives by the Commission under Section 19(b)(2) of the Act and rules thereunder and the conditions set forth in the Commission’s approval order, including comprehensive surveillance sharing agreements for non-U.S. stocks, continue to be satisfied. Rule 5710(k)(i)(A)(2) provides certain quantitative standards related to the

³ See Arca Rule 5.2-E(j)(6)(B)(I) and BZX Rule 14.11(d)(2)(K)(i). See also Securities Exchange Act Release Nos. 81442 (August 18, 2017), 82 FR 40178 (August 24, 2017) (SR-NYSEArca-2017-54) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To Amend the Generic Listing Criteria Applicable to Equity Index-Linked Securities); and 82895 (March 16, 2018), 83 FR 12633 (March 22, 2018) (SR-CboeBZX-2018-020) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Listing Rules Under Rule 14.11(d)(2)(K)(i) Related to Equity Index-Linked Securities).

⁴ Linked Securities are securities that qualify for Exchange listing and trading under Rule 5710 and include the following: Equity Index-Linked Securities, Commodity-Linked Securities, Fixed Income Index-Linked Securities, Futures-Linked Securities, and Multifactor Index-Linked Securities. See Rule 5710.

⁵ See Securities Exchange Act Release No. 66648 (March 23, 2012), 77 FR 19428 (March 30, 2012) (SR-NASDAQ-2012-013) (Order Granting Approval of Proposed Rule Change, as Modified by Amendment No. 1 Thereto, Relating to the Adoption of Listing Standards for Certain Securities).

market cap, trading volume, rebalancing, concentration, and surveillance sharing.⁶ As noted above, where an index has at least 10 component securities and meets the criteria of either Rule 5710(k)(i)(A)(1) or (2), it meets the initial listing criteria for Equity Index-Linked Securities. Rule 5710(k)(i)(B) includes the continued listing criteria for Equity Index-Linked Securities and provides that Nasdaq will commence delisting or removal proceedings (unless the Commission has approved the continued trading of the subject Equity Index-Linked Security), if any of the standards set forth in Rule 5710(k)(i)(A) are not continuously met, with some additional concentration and trading volume criteria.

The Exchange proposes to amend Rule 5710(k)(i) related to Equity Index-Linked Securities in order to make it substantively identical to the comparable rules on Arca and BZX. In particular, the Exchange is proposing to make certain changes to its rules consistent with Arca's and BZX's rules such that: (i) Derivative Securities Products⁷ and Linked Securities will be excluded from several initial and continued listing criteria; (ii) the rule text makes clear that Rule 5710(k)(i)(A)(1) includes a series of Index Fund Shares approved by the Commission under Section 19(b)(2) of the Act; (iii) the existing trading volume requirement under Rule 5710(k)(i)(A)(2)(b) is replaced with a more flexible trading volume standard; (iv) rules with standards applicable only to certain index weightings, including equal-dollar, modified equal-dollar, capitalization-weighted,

⁶ The Exchange notes that today, it does not use dollar weighting in Rule 5710(k)(i)(A)(2)(a) like Arca in Arca Rule 5.2-E(j)(6)(B)(I)(1)(b)(i). In this respect, the Exchange's current initial listing criteria aligns instead to BZX's listing criteria in BZX Rule 14.11(d)(2)(K)(i)(a)(2)(A).

⁷ Derivative Securities Products include the following: Exchange Traded Fund Shares (Rule 5704); Portfolio Depository Receipts and Index Fund Shares (Rule 5705); Trust Issued Receipts (Rule 5720); Commodity-Based Trust Shares, Currency Trust Shares, Commodity Index Trust Shares, Commodity Futures Trust Shares, Partnership Units, Trust Units, Managed Trust Shares (Rule 5711); and Managed Fund Shares (Rule 5735). See Rule 5705(b)(3)(A)(i)(a).

and modified capitalization-weighted, are eliminated; and (v) Rule 5710(k)(i)(A)(2)(g)⁸ provides that securities of a foreign issuer (including when they underlie ADRs) whose primary trading market outside the United States is not a member of the Intermarket Surveillance Group (“ISG”) or a party to a comprehensive surveillance sharing agreement with the Exchange will not in the aggregate represent more than 50% of the dollar weight of the index, and (i) the securities of any one such market may not represent more than 20% of the dollar weight of the index, and (ii) the securities of any two such markets may not represent more than 33% of the dollar weight of the index.

The Exchange also proposes to amend the continued listing criteria for Equity Index-Linked Securities in Rule 5710(k)(i)(B) to exclude Derivative Securities Products and Linked Securities, similar to the changes being proposed in its initial listing criteria for Equity Index-Linked Securities in Rule 5710(k)(i)(A). The Exchange notes that Arca and BZX likewise exclude these products from their relevant continued listing standards.⁹

The Exchange believes that these proposed changes are non-controversial because the changes would make the Exchange’s listing rules related to Equity Index-Linked Securities substantively identical to the rules of other listing exchanges¹⁰ and do not present any new or novel issues that have not been previously considered by the Commission.

⁸ Current Rule 5710(k)(i)(A)(2)(g) will be renumbered to Rule 5710(k)(i)(A)(2)(e) under this proposal.

⁹ See supra note 3.

¹⁰ See supra note 6.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹¹ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹² in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

The proposed changes to Rule 5710(k)(i) related to the listing of Equity Index-Linked Securities on the Exchange remain consistent with the Act because as noted above, the changes will make the Exchange's listing rules for Equity Index-Linked Securities substantively identical to those of Arca and BZX.¹³

As such, the Exchange believes that the proposal is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest because there are no substantive issues raised by this proposal that were not otherwise addressed by the Commission.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purpose of the Act. The Exchange believes that the proposal will allow the Exchange to better

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

¹³ See supra note 6.

compete with Arca and BZX by putting Nasdaq on equal footing with the other two exchanges as it relates to listing standards applicable to Equity Index-Linked Securities.

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)¹⁴ of the Act and Rule 19b-4(f)(6) thereunder¹⁵ in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The Exchange believes that its proposal is appropriate for filing on an immediately effective basis under paragraph (f)(6) of Rule 19b-4. The Exchange believes the proposed rule change will not significantly affect the protection of investors or the public interest, and does not impose any significant burden on competition because the proposal is simply allowing the Exchange to compete on equal footing with Arca and BZX. The proposed rules are substantively identical to those already approved or noticed

¹⁴ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁵ 17 CFR 240.19b-4(f)(6).

for immediate effectiveness and in place in Arca Rule 5.2E- (j)(6)(B)(I) and BZX Rule 14.11(d)(2)(K)(i).¹⁶ As such, the Exchange believes that the proposed changes to Exchange Rule 5710(k)(i) raise no substantive issues for the Commission. For the foregoing reasons, this rule filing qualifies for immediate effectiveness as a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4.

Furthermore, Rule 19b-4(f)(6)(iii)¹⁷ 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 has provided such notice.

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

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) so that the proposed rule change may become effective and operative upon filing with the Commission. Waiver of

¹⁶ See *supra* note 6.

¹⁷ 17 CFR 240.19b-4(f)(6)(iii).

the 30-day operative delay will allow the Exchange to list series of Equity Index-Linked Securities on the Exchange immediately. As noted above, the Exchange views this proposal as a competitive filing and a waiver of the operative delay would allow the Exchange to compete with Arca and BZX immediately. The Exchange does not believe that there is any reason for delay when the proposed rules are substantively identical to those of other listing exchanges. Waiver of the operative delay is consistent with the protection of investors and the public interest for the reasons described above.

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

The proposed rule change is substantively similar to Arca Rule 5.2E-(j)(6)(B)(I) and BZX Rule 14.11(d)(2)(K)(i).¹⁸

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.

¹⁸ See supra note 6.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-NASDAQ-2024-042)

July __, 2024

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Nasdaq Listing Rules Under Rule 5710(k)(i) Related To The Criteria for Equity Index-Linked Securities

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 July 22, 2024, 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 its listing rules under Rule 5710(k)(i) related to the criteria for Equity Index-Linked Securities.

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 Exchange is submitting this proposal in order to bring its listing rules related to Equity Index-Linked Securities in line with those of NYSE Arca, Inc. ("Arca") and Cboe BZX Exchange, Inc. ("BZX").³ Rule 5710(k) sets forth certain rules related to the listing and trading of Linked Securities⁴ on the Exchange and Rule 5710(k)(i) relates specifically to the generic listing standards applicable to Equity Index-Linked Securities.⁵ Specifically, Rule 5710(k)(i)(A) provides that each index underlying a series of Equity Index-Linked Securities must include at least 10 component securities and meet the

³ See Arca Rule 5.2-E(j)(6)(B)(I) and BZX Rule 14.11(d)(2)(K)(i). See also Securities Exchange Act Release Nos. 81442 (August 18, 2017), 82 FR 40178 (August 24, 2017) (SR-NYSEArca-2017-54) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To Amend the Generic Listing Criteria Applicable to Equity Index-Linked Securities); and 82895 (March 16, 2018), 83 FR 12633 (March 22, 2018) (SR-CboeBZX-2018-020) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Listing Rules Under Rule 14.11(d)(2)(K)(i) Related to Equity Index-Linked Securities).

⁴ Linked Securities are securities that qualify for Exchange listing and trading under Rule 5710 and include the following: Equity Index-Linked Securities, Commodity-Linked Securities, Fixed Income Index-Linked Securities, Futures-Linked Securities, and Multifactor Index-Linked Securities. See Rule 5710.

⁵ See Securities Exchange Act Release No. 66648 (March 23, 2012), 77 FR 19428 (March 30, 2012) (SR-NASDAQ-2012-013) (Order Granting Approval of Proposed Rule Change, as Modified by Amendment No. 1 Thereto, Relating to the Adoption of Listing Standards for Certain Securities).

requirements of either Rule 5710(k)(i)(A)(1) or (2). Rule 5710(k)(i)(A)(1) provides that each index must have been reviewed and approved for the trading of options or other derivatives by the Commission under Section 19(b)(2) of the Act and rules thereunder and the conditions set forth in the Commission's approval order, including comprehensive surveillance sharing agreements for non-U.S. stocks, continue to be satisfied. Rule 5710(k)(i)(A)(2) provides certain quantitative standards related to the market cap, trading volume, rebalancing, concentration, and surveillance sharing.⁶ As noted above, where an index has at least 10 component securities and meets the criteria of either Rule 5710(k)(i)(A)(1) or (2), it meets the initial listing criteria for Equity Index-Linked Securities. Rule 5710(k)(i)(B) includes the continued listing criteria for Equity Index-Linked Securities and provides that Nasdaq will commence delisting or removal proceedings (unless the Commission has approved the continued trading of the subject Equity Index-Linked Security), if any of the standards set forth in Rule 5710(k)(i)(A) are not continuously met, with some additional concentration and trading volume criteria.

The Exchange proposes to amend Rule 5710(k)(i) related to Equity Index-Linked Securities in order to make it substantively identical to the comparable rules on Arca and BZX. In particular, the Exchange is proposing to make certain changes to its rules consistent with Arca's and BZX's rules such that: (i) Derivative Securities Products⁷ and Linked Securities will be excluded from several initial and continued listing criteria; (ii)

⁶ The Exchange notes that today, it does not use dollar weighting in Rule 5710(k)(i)(A)(2)(a) like Arca in Arca Rule 5.2-E(j)(6)(B)(I)(1)(b)(i). In this respect, the Exchange's current initial listing criteria aligns instead to BZX's listing criteria in BZX Rule 14.11(d)(2)(K)(i)(a)(2)(A).

⁷ Derivative Securities Products include the following: Exchange Traded Fund Shares (Rule 5704); Portfolio Depository Receipts and Index Fund Shares (Rule 5705); Trust Issued Receipts (Rule 5720); Commodity-Based Trust Shares, Currency Trust Shares, Commodity Index Trust Shares, Commodity Futures Trust Shares, Partnership Units, Trust Units, Managed Trust Shares (Rule 5711); and Managed Fund Shares (Rule 5735). See Rule 5705(b)(3)(A)(i)(a).

the rule text makes clear that Rule 5710(k)(i)(A)(1) includes a series of Index Fund Shares approved by the Commission under Section 19(b)(2) of the Act; (iii) the existing trading volume requirement under Rule 5710(k)(i)(A)(2)(b) is replaced with a more flexible trading volume standard; (iv) rules with standards applicable only to certain index weightings, including equal-dollar, modified equal-dollar, capitalization-weighted, and modified capitalization-weighted, are eliminated; and (v) Rule 5710(k)(i)(A)(2)(g)⁸ provides that securities of a foreign issuer (including when they underlie ADRs) whose primary trading market outside the United States is not a member of the Intermarket Surveillance Group (“ISG”) or a party to a comprehensive surveillance sharing agreement with the Exchange will not in the aggregate represent more than 50% of the dollar weight of the index, and (i) the securities of any one such market may not represent more than 20% of the dollar weight of the index, and (ii) the securities of any two such markets may not represent more than 33% of the dollar weight of the index.

The Exchange also proposes to amend the continued listing criteria for Equity Index-Linked Securities in Rule 5710(k)(i)(B) to exclude Derivative Securities Products and Linked Securities, similar to the changes being proposed in its initial listing criteria for Equity Index-Linked Securities in Rule 5710(k)(i)(A). The Exchange notes that Arca and BZX likewise exclude these products from their relevant continued listing standards.⁹

The Exchange believes that these proposed changes are non-controversial because the changes would make the Exchange’s listing rules related to Equity Index-Linked

⁸ Current Rule 5710(k)(i)(A)(2)(g) will be renumbered to Rule 5710(k)(i)(A)(2)(e) under this proposal.

⁹ See supra note 3.

Securities substantively identical to the rules of other listing exchanges¹⁰ and do not present any new or novel issues that have not been previously considered by the Commission.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹¹ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹² in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

The proposed changes to Rule 5710(k)(i) related to the listing of Equity Index-Linked Securities on the Exchange remain consistent with the Act because as noted above, the changes will make the Exchange's listing rules for Equity Index-Linked Securities substantively identical to those of Arca and BZX.¹³

As such, the Exchange believes that the proposal is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest because there are no substantive issues raised by this proposal that were not otherwise addressed by the Commission.

¹⁰ See supra note 6.

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

¹³ See supra note 6.

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 that is not necessary or appropriate in furtherance of the purpose of the Act. The Exchange believes that the proposal will allow the Exchange to better compete with Arca and BZX by putting Nasdaq on equal footing with the other two exchanges as it relates to listing standards applicable to Equity Index-Linked Securities.

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 Act¹⁴ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁵

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

¹⁴ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁵ 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.

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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NASDAQ-2024-042 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-2024-042. This file number should be included on the subject line if email 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 website (<https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NASDAQ-2024-042 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁶

Sherry R. Haywood,

Assistant Secretary.

¹⁶ 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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5710. Securities Linked to the Performance of Indexes and Commodities (Including Currencies)

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(k) Linked Securities**(i) Equity Index-Linked Securities Criteria**

(A) In the case of an Equity Index-Linked Security, each underlying index is required to have at least ten (10) component securities; provided, however, that there shall be no minimum number of component securities if one or more issues of Derivative Securities Products (which are defined in Rule 5705(b)(3)(A)(i)(a)), Linked Securities (as described in Rule 5710), or securities listed on another national securities exchange pursuant to substantially equivalent listing rules, constitute, at least in part, component securities underlying an issue of Equity Index-Linked Securities. In addition, the index or indexes to which the security is linked shall either:

(1) have been reviewed and approved for the trading of Index Fund Shares or options or other derivatives by the Commission under Section 19(b)(2) of the Act and rules thereunder and the conditions set forth in the Commission's approval order, including comprehensive surveillance sharing agreements for non-U.S. stocks, continue to be satisfied, or

(2) the index or indexes meet the following criteria:

(a) Each component security (excluding Derivative Securities Products and Linked Securities) has a minimum market value of at least \$75 million, except that for each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index (excluding Derivative Securities Products and Linked Securities), the market value can be at least \$50 million;

(b) Component stocks (excluding Derivative Securities Products and Linked Securities) that in the aggregate account for at least 90% of the weight of the index (excluding Derivative Securities Products and Linked Securities) each shall have a minimum global monthly trading volume of 1,000,000 shares, or minimum global notional volume traded per month of \$25,000,000, averaged over the last six months;

- (b) Each component security shall have trading volume in each of the last six months of not less than 1,000,000 shares, except that for each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index, the trading volume shall be at least 500,000 shares in each of the last six months;
- (c) Indexes based upon the equal-dollar or modified equal-dollar weighting method will be rebalanced at least semiannually;
- (d) In the case of a capitalization-weighted or modified capitalization-weighted index, the lesser of the five highest weighted component securities in the index or the highest weighted component securities in the index that in the aggregate represent at least 30% of the total number of component securities in the index, each have an average monthly trading volume of at least 2,000,000 shares over the previous six months;]
- ([e]c) No underlying component security (excluding Derivative Securities Products and Linked Securities) will represent more than 25% of the weight of the index, and, to the extent applicable, the five highest weighted component securities in the index (excluding Derivative Securities Products and Linked Securities) do not in the aggregate account for more than 50% of the weight of the index (60% for an index consisting of fewer than 25 component securities);
- ([f]d) 90% of the index's numerical value (excluding Derivative Securities Products and Linked Securities) and at least 80% of the total number of component securities (excluding Derivative Securities Products and Linked Securities) will meet the then current criteria for standardized option trading on a national securities exchange or a national securities association, provided, however, that an index will not be subject to this requirement if (a) no underlying component security represents more than 10% of the dollar weight of the index (excluding Derivative Securities Products and Linked Securities) and (b) the index has a minimum of 20 components (excluding Derivative Securities Products and Linked Securities); and
- ([g]e) All component securities shall be either (A) securities (other than securities of a foreign issuer and American Depositary Receipts ("ADRs")) that are (i) issued by a 1934 Act reporting company or by an investment company registered under the Investment Company Act of 1940 that, in each case, has securities listed on a national securities exchange and (ii) an "NMS stock" (as defined in Rule 600 of Regulation NMS under the Act), or (B) securities of a foreign issuer or ADRs, provided that securities of a foreign issuer (including when they underlie ADRs) whose primary trading market outside the United States is not a member of the Intermarket Surveillance Group ("ISG") or a party to a comprehensive surveillance sharing agreement with Nasdaq will not in the aggregate represent more than [20]50% of the

dollar weight of the index; and provided further that (i) the securities of any one such market do not represent more than 20% of the dollar weight of the index, and (ii) the securities of any two such markets do not represent more than 33% of the dollar weight of the index.

(B) Continued Listing Criteria

- (1) Nasdaq will commence delisting or removal proceedings (unless the Commission has approved the continued trading of the subject Equity Index-Linked Security), if any of the standards set forth above in paragraph A are not continuously maintained, except that:
- (a) the criteria that no single component represent more than 25% of the dollar weight of the index (excluding Derivative Securities Products and Linked Securities) and, to the extent applicable, the five highest dollar weighted components in the index (excluding Derivative Securities Products and Linked Securities) cannot represent more than 50% (or 60% for indexes with less than 25 components) of the dollar weight of the index, need only be satisfied at the time the index is rebalanced; and
- (b) Component stocks (excluding Derivative Securities Products and Linked Securities) that in the aggregate account for at least 90% of the weight of the index (excluding Derivative Securities Products and Linked Securities) each shall have a minimum global monthly trading volume of 500,000 shares, or minimum global notional volume traded per month of \$12,500,000, averaged over the last six months.

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