

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 15

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

File No. * SR 2024 - * 080

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 checked="" type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input type="checkbox"/> 19b-4(f)(6) | | |
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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 Exchange's schedule of credits at Equity 7, Section 118a.

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 * Dane Last Name * Dixon

Title * Associate General Counsel

E-mail * Dane.Dixon@nasdaq.com

Telephone * (470) 432-4607 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 12/02/2024


(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: 2024.12.02
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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-2024-080 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-2024-080 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-2024-080 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 the Exchange’s schedule of credits at Equity 7, Section 118(a), 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 (“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:

Dane Dixon
Associate General Counsel
Nasdaq, Inc.
(470) 432-4607

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 schedule of credits, at Equity 7, Section 118(a). Specifically, the Exchange proposes to amend the Supplemental Credit to member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity. Currently, members that execute a combined volume of at least 5 million shares average daily volume (ADV) through midpoint orders and M-ELO orders during the month are eligible to receive \$0.00015 credit per share executed. The rule also states that this credit cannot be combined with M-ELO Supplemental Credit A.

The proposed amendment seeks to further clarify that M-ELO Supplemental Credit B cannot be combined with QMM Tier 2 Program \$0.0029 discounted remove fee as defined in Equity 7, Section 114(e). The revised language would state that "\$0.00015 (may not be combined with M-ELO Supplemental Credit A or with the QMM Tier 2 Program \$0.0029 discounted remove fee set forth in Section 114(e)).

This proposed change will apply to Tapes A, B, and C. The Exchange periodically reviews its fee and credit structures to ensure clarity and alignment with its overall pricing strategy. The purpose of the proposed amendment is to avoid confusion regarding whether members can receive M-ELO Supplemental Credit B and M-ELO Supplemental Credit A or QMM Tier 2 Program \$0.0029 discounted remove fee set forth in Section 114(e). The Exchange has never intended for participants to receive both the M-ELO Supplemental Credit B and either M-ELO Supplemental Credit A or QMM Tier 2 Program \$0.0029 discounted remove fee simultaneously. Instead, members have been

required to choose the credit for which they qualify, based on the applicable conditions outlined in the fee schedule.

The proposed rule change does not alter the current operation of the fee program but instead codifies the Exchange's existing interpretation, ensuring clarity and consistency in the application of its rules. This codification is part of the Exchange's commitment to maintaining a transparent and straightforward fee schedule and reducing potential misunderstandings among market participants. Further, the amendment aims to eliminate potential overlap between the M-ELO Supplemental Credit B and the QMM Tier 2 Program \$0.0029 discounted remove fee. With this clarification, the Exchange intends to maintain a fair and balanced credit program. The amendment is also designed to ensure that the Exchange's credit programs remain competitive and equitable while avoiding unnecessary complexity in its application.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,³ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,⁴ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The proposed amendment furthers these objectives by clarifying the application of the M-ELO Supplemental Credit B. The amendment avoids confusion regarding whether members can receive both the M-ELO Supplemental Credit B and either M-ELO

³ 15 U.S.C. 78f(b).

⁴ 15 U.S.C. 78f(b)(4) and (5).

Supplemental Credit A or QMM Tier 2 Program \$0.0029 discounted remove fee set forth in Section 114(e). This clarification ensures that the credit program operates fairly and promotes equitable principles that does not unfairly discriminate against market participants.

Additionally, the Exchange notes that it has not interpreted its fee schedule to permit members to combine the credits mentioned above. This proposed amendment simply codifies this existing interpretation, ensuring that the fee schedule accurately reflects the Exchange's intent. By codifying this interpretation, the Exchange reduces the risk of misinterpretation and provides clear guidance to market participants, supporting just and equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

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

The Exchange believes that the proposed amendment will not impose any burden on competition that's unnecessary or inappropriate in furtherance of the purposes of the Act. The amendment is administrative in nature and does not alter the substantive requirements for earning the M-ELO Supplemental Credit B. As a result, the change ensures consistency and fairness in the application of the Exchange's credit program and does not disadvantage any specific group of market participants.

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,⁵ 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.

5. Text of the proposed rule change.

⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-NASDAQ-2024-080)

December 2, 2024

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to amend the Exchange’s schedule of credits at Equity 7, Section 118(a), as described further below.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹, and Rule 19b-4 thereunder,² notice is hereby given that on December 2, 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 the Exchange’s schedule of credits, at Equity 7, Section 118(a). Specifically, the Exchange proposes to amend the Supplemental Credit to member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity.

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 the proposed rule change is to amend the Exchange's schedule of credits, at Equity 7, Section 118(a). Specifically, the Exchange proposes to amend the Supplemental Credit to member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity. Currently, members that execute a combined volume of at least 5 million shares average daily volume (ADV) through midpoint orders and M-ELO orders during the month are eligible to receive \$0.00015 credit per share executed. The rule also states that this credit cannot be combined with M-ELO Supplemental Credit A.

The proposed amendment seeks to further clarify that M-ELO Supplemental Credit B cannot be combined with QMM Tier 2 Program \$0.0029 discounted remove fee as defined in Equity 7, Section 114(e). The revised language would state that "\$0.00015 (may not be combined with M-ELO Supplemental Credit A or with the QMM Tier 2 Program \$0.0029 discounted remove fee set forth in Section 114(e)).

This proposed change will apply to Tapes A, B, and C. The Exchange periodically reviews its fee and credit structures to ensure clarity and alignment with its

overall pricing strategy. The purpose of the proposed amendment is to avoid confusion regarding whether members can receive M-ELO Supplemental Credit B and M-ELO Supplemental Credit A or QMM Tier 2 Program \$0.0029 discounted remove fee set forth in Section 114(e). The Exchange has never intended for participants to receive both the M-ELO Supplemental Credit B and either M-ELO Supplemental Credit A or QMM Tier 2 Program \$0.0029 discounted remove fee simultaneously. Instead, members have been required to choose the credit for which they qualify, based on the applicable conditions outlined in the fee schedule.

The proposed rule change does not alter the current operation of the fee program but instead codifies the Exchange's existing interpretation, ensuring clarity and consistency in the application of its rules. This codification is part of the Exchange's commitment to maintaining a transparent and straightforward fee schedule and reducing potential misunderstandings among market participants. Further, the amendment aims to eliminate potential overlap between the M-ELO Supplemental Credit B and the QMM Tier 2 Program \$0.0029 discounted remove fee. With this clarification, the Exchange intends to maintain a fair and balanced credit program. The amendment is also designed to ensure that the Exchange's credit programs remain competitive and equitable while avoiding unnecessary complexity in its application.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,³ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,⁴ in

³ 15 U.S.C. 78f(b).

⁴ 15 U.S.C. 78f(b)(4) and (5).

particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The proposed amendment furthers these objectives by clarifying the application of the M-ELO Supplemental Credit B. The amendment avoids confusion regarding whether members can receive both the M-ELO Supplemental Credit B and either M-ELO Supplemental Credit A or QMM Tier 2 Program \$0.0029 discounted remove fee set forth in Section 114(e). This clarification ensures that the credit program operates fairly and promotes equitable principles that does not unfairly discriminate against market participants.

Additionally, the Exchange notes that it has not interpreted its fee schedule to permit members to combine the credits mentioned above. This proposed amendment simply codifies this existing interpretation, ensuring that the fee schedule accurately reflects the Exchange's intent. By codifying this interpretation, the Exchange reduces the risk of misinterpretation and provides clear guidance to market participants, supporting just and equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

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

The Exchange believes that the proposed amendment will not impose any burden on competition that's unnecessary or inappropriate in furtherance of the purposes of the Act. The amendment is administrative in nature and does not alter the substantive requirements for earning the M-ELO Supplemental Credit B. As a result, the change

ensures consistency and fairness in the application of the Exchange's credit program and does not disadvantage any specific group of market participants.

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.⁵

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

IV. 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

⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

- Send an email to rule-comments@sec.gov. Please include file number SR-NASDAQ-2024-080 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-2024-080. 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-2024-080 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.⁶

Sherry R. Haywood,

Assistant Secretary.

⁶ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

THE NASDAQ STOCK MARKET LLC RULES

* * * * *

Equity Rules

* * * * *

Equity 7 Pricing Schedule

* * * * *

Section 118. Nasdaq Market Center Order Execution and Routing

(a) ...

(1) Fees for Execution and Routing of Orders

...

| Supplemental credit to member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity (per share executed): | | | |
|--|--------|--------|--------|
| | Tape A | Tape B | Tape C |

...

| | | | |
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| M-ELO Supplemental Credit B member, through one or more of its Nasdaq Market Center MPIDs, executes a combined volume of at least a 5 million shares ADV through midpoint orders provided and M-ELO Orders during the month: | \$0.00015 (may not be combined <u>for firms</u> with M-ELO Supplemental Credit A <u>or with the Tier 2 Program</u> <u>\$0.0029</u> <u>discounted</u> <u>remove fee</u> <u>set forth in Section 114(e))</u> | \$0.00015 (may not be combined <u>for firms</u> with M-ELO Supplemental Credit A <u>or with the Tier 2 Program</u> <u>\$0.0029</u> <u>discounted</u> <u>remove fee</u> <u>set forth in Section 114(e))</u> | \$0.00015 (may not be combined <u>for firms</u> with M-ELO Supplemental Credit A <u>or with the Tier 2 Program</u> <u>\$0.0029</u> <u>discounted</u> <u>remove fee</u> <u>set forth in Section 114(e))</u> |
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