

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 27	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2018 - * 07	Amendment No. (req. for Amendments *)
Filing by Nasdaq MRX, 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"/>	
			Rule	
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<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)
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934	
Section 806(e)(1) * <input type="checkbox"/>		Section 806(e)(2) * <input type="checkbox"/>	Section 3C(b)(2) * <input type="checkbox"/>	
Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>			
Description				
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).				
<input type="text" value="A proposed rule change to clarify certain terms used in the Schedule of Fees."/>				
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 *	<input type="text" value="Adrian"/>	Last Name *	<input type="text" value="Griffiths"/>	
Title *	<input type="text" value="Senior Associate General Counsel"/>			
E-mail *	<input type="text" value="adrian.griffiths@nasdaq.com"/>			
Telephone *	<input type="text" value="(212) 231-5176"/>	Fax	<input type="text"/>	
Signature				
Pursuant to the requirements of the Securities Exchange Act of 1934,				
has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.				
(Title *)				
Date	<input type="text" value="02/20/2018"/>	<input type="text" value="Executive Vice President and General Counsel"/>		
By	<input type="text" value="Edward S. Knight"/>	<input type="text" value="edward.knight@nasdaq.com"/>		
(Name *)				
NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.				

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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

Exhibit 1 - Notice of Proposed Rule Change *

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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 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance 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, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) Nasdaq MRX, LLC (“MRX” 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 proposed rule change to clarify certain terms used in the Schedule of Fees, and to make certain other non-substantive changes to the Schedule of Fees.

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 September 19, 2017. 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:

Adrian Griffiths
Senior Associate General Counsel
Nasdaq, Inc.
212-231-5176

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 clarify certain terms used in the Schedule of Fees, and to make certain other non-substantive changes to the Schedule of Fees. These proposed changes are designed to make it easier to understand how the Exchange charges fees under the Schedule of Fees, and have no impact on the actual fees charged to members, which will remain unchanged. While the Exchange believes that its members understand the concepts being clarified in this proposed rule change, which have been included in the Schedule of Fees in some cases since the Exchange began aggregating volume from affiliated/appointed firms in 2016,³ the Exchange believes that this proposed rule change will avoid any future potential for member confusion.

First, the Exchange proposes to adopt explicit definitions for the following terms: (1) Market Maker, (2) Affiliated Member, and (3) Appointed Member. As proposed, a "Market Maker" is a market maker as defined in Nasdaq MRX Rule 100(a)(30); an "Affiliated Member" is a Member that shares at least 75% common ownership with a particular Member as reflected on the Member's Form BD, Schedule A;⁴ and an "Appointed Member" is either an Appointed Market Maker or Appointed Order Flow Provider. While these terms are currently used in the Schedule of Fees, in capitalized or non-capitalized form, and are described in either the Schedule of Fees or the Nasdaq

³ See Securities Exchange Act Release No. 77412 (March 21, 2016), 81 FR 16238 (March 25, 2016) (SR-ISEMercury-2016-06); 77841 (May 16, 2016), 81 FR 31986 (May 20, 2016) (SR-ISEMercury-2016-11).

⁴ If a firm has multiple exchange memberships housed in a single legal entity (e.g., a Primary Market Maker and an Electronic Access Member) those memberships would be Affiliated Members due to sharing 100% common ownership.

MRX Rules, as well as the proposed rule changes that adopted the relevant terminology, the Exchange believes that including these definitions in the Preface to the Schedule of Fees will make the Schedule of Fees easier for members to understand. In connection with the above changes, the Exchange also proposes to delete references to the 75% common ownership requirement in the Qualifying Tier Thresholds section of the Schedule of Fees, as this concept is now included in the definition of Affiliated Member.

Second, the Exchange proposes to amend language under the Qualifying Tier Thresholds section of the Schedule of Fees to reference more explicitly how the Exchange aggregates volume executed by Affiliated Members and Appointed Members for purposes of various average daily volume (“ADV”) categories. Currently, this section contains bullets that describe “Total Affiliated Priority Customer ADV” and “Total Affiliated Member ADV,” and separate bullets that describe how the Exchange aggregates this volume with Appointed Members. The Exchange now proposes to incorporate the Appointed Member concept into the bullets that define these ADV categories by adding the words “and/or Appointed” to the ADV category descriptions, and including language that indicates that these categories include volume executed by Affiliated Members and/or Appointed Members, which will be aggregated with the Member’s volume in the manner described in the Schedule of Fees. In connection with these changes, the Exchange proposes to indicate that these terms “mean” rather than “include” the ADV described in the bullets to reinforce that no other volume is included in these calculations. In addition, the Exchange proposes to remove language indicating that volume executed in the PIM, Facilitation, and QCC mechanisms is included in the

ADV category based on Priority Customer volume, as the current language already indicates that all Priority Customer volume in all symbols and order types is included.

Third, the Exchange proposes non-substantive changes to the defined terms “Nasdaq MRX Appointed Market Maker,” “Nasdaq MRX Appointed Order Flow Provider,” and “Flash Order.” Nasdaq MRX Appointed Market Maker and Nasdaq MRX Appointed Order Flow Provider will now be renamed “Appointed Market Maker” and “Appointed Order Flow Provider,” respectively, and will be updated with a proper citation to Qualifying Tier Threshold section of the Schedule of Fees, which the Exchange proposes to title “Table 3.” With respect to the definition of “Flash Order,” the Exchange proposes to change the word “response” to use its non-capitalized form as there is no defined term that refers to a response to a Flash Order.

Fourth, the Exchange proposes to update references to the “Fee Schedule” with the correct title of that document, which is the “Schedule of Fees,” and to use all of the defined terms described in this filing where applicable throughout the Schedule of Fees. In addition, the Exchange proposes to add language that indicates that other terms not defined in the Schedule of Fees shall have the meaning ascribed to them under Nasdaq MRX Rules. The Exchange believes that the addition of this language will aid members in interpreting the Schedule of Fees, which currently uses certain terms that are defined in Nasdaq MRX Rules – e.g., the term “Member”, which is defined in MRX Rule 100(a)(28). With respect to the definition of “Member” in particular, the Exchange proposes to update the text of the Schedule of Fees to use the capitalized term throughout.

Finally, the Exchange proposes to eliminate an obsolete reference to footnote 3 under Section I, Table 2, which is currently marked “Reserved,” and to add the word

“instead” to footnote 2 under Section I, Table 1 to reinforce that the taker fees described in that footnote would apply instead of the regular taker fees described in Table 1. With respect to the former change, footnote 1 under Section I, Table 2 contains language stating that fees, i.e., the fee for Crossing Orders, apply to the originating and contra orders, except as noted in footnote 3. Because footnote 3 is now marked reserved, this exception is no longer necessary. With respect to the latter change, footnote 2 under Section I, Table 1 describes a discounted taker fee that is applied to Members that meet specified requirements. The proposed addition of the word “instead” would reinforce that the fees in that footnote are instead of and not in addition to those contained in the table.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁵ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,⁶ 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. Specifically, the Exchange believes that the proposed rule change is reasonable, equitable, and not unfairly discriminatory as it is designed to increase transparency around the Schedule of Fees to the benefit of members and investors. The proposed rule change adopts more explicit definitions for certain terms used in the Schedule of Fees, and makes other non-substantive clarifying changes, which do not impact how the

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(4) and (5).

Exchange will charge fees. For the following reasons, the Exchange believes that each of the proposed changes is reasonable, equitable, and not unfairly discriminatory.

The Exchange believes that it is reasonable, equitable, and not unfairly discriminatory to adopt explicit definitions of “Market Maker,” “Affiliated Member,” and “Appointed Member.” The term “Market Maker” is already used throughout the Schedule of Fees and will refer to related definitions already included in the Exchange’s rules. And the terms “Affiliated Member” and “Appointed Member” are based on current language in the Qualifying Tier Thresholds section of the Schedule of Fees. Specifically, the “Affiliated Member” definition replaces language that indicates how the Exchange aggregates volume from affiliates that meet the specified common ownership requirements, and the term “Appointed Member” refers to two types of Members that can agree to have their volume aggregated in the manner described in the Schedule of Fees.

The Exchange believes that the proposes changes related to Total Affiliated and/or Appointed Priority Customer ADV and Total Affiliated and/or Appointed Member ADV are reasonable, equitable, and not unfairly discriminatory as they reinforce the fact that volume executed by Appointed Members may be aggregated in the manner described in the Qualifying Tier Thresholds section of the Schedule of Fees. Although this is an existing concept described in the Schedule of Fees, the Exchange believes that including all of this information in the bullets that describe these ADV categories will make the Schedule of Fees easier for Members to follow. Furthermore, the other changes being proposed to these categories – including removing unnecessary references to volume executed in the PIM, Facilitation, and QCC mechanisms, and using the word “means” – are non-substantive changes designed to make these descriptions more transparent.

The Exchange believes that the proposed changes to the defined terms “Nasdaq MRX Appointed Market Maker,” “Nasdaq MRX Appointed Order Flow Provider,” and “Flash Order” are reasonable, equitable, and not unfairly discriminatory. In addition to renaming Nasdaq MRX Appointed Market Maker and Nasdaq MRX Appointed Order Flow Provider to “Appointed Market Maker” and “Appointed Order Flow Provider,” respectively, these definitions will be updated with a proper citation so that members can identify where these terms are described in the Schedule of Fees. In addition, the proposed change to the definition of “Flash Order” is a non-substantive change to the capitalization of a word that is not defined in the Schedule of Fees.

The Exchange believes that it is reasonable, equitable, and not unfairly discriminatory to update references to the “Fee Schedule” with the correct title of that document, which is the “Schedule of Fees,” and to use all of the defined terms described in this filing where applicable throughout the Schedule of Fees as these changes are meant to ensure that defined terms are used consistently in the Schedule of Fees. Furthermore, the Exchange believes that it is reasonable, equitable, and not unfairly discriminatory add language that indicates that other terms not defined in the Schedule of Fees shall have the meaning ascribed to them under Nasdaq MRX Rules. Certain definitions contained in the Nasdaq MRX Rules are used in the Schedule of Fees, and the Exchange believes that adding this reference to the Schedule of Fees will alert members to this fact. With this change, the Exchange will also use the defined term “Member” throughout the Schedule of Fees to indicate that the Exchange is using the defined term contained in the Nasdaq MRX Rules.

Finally, the Exchange believes that it is reasonable, equitable, and not unfairly discriminatory to eliminate the reference to footnote 3 under Section I, Table 2, and to add the word “instead” to footnote 2 under Section I, Table 1. The former change removes an obsolete reference to a footnote that is now marked “Reserved.” The latter reinforces that the taker fees described in that footnote would apply instead of the regular taker fees described in Table 1. While the Exchange believes that members understand that the footnoted taker fees, which are provided to members that meet additional volume and other requirements, apply instead of rather than in addition to the taker fees charged to members that do not meet these requirements, the Exchange believes that spelling this out more explicitly will avoid any potential confusion.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will have any impact on competition as the proposed changes would merely clarify the Schedule of Fees by, among other things, adopting explicit definitions for certain common terms, and making other non-substantive changes. No changes to the actual fees charged to market participants are proposed, and members will continue to be charged the same fees as they are assessed under the Schedule of Fees today.

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,⁷ 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

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

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.

⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-MRX-2018-07)

February __, 2018

Self-Regulatory Organizations; Nasdaq MRX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Clarify Certain Terms Used in the Schedule of Fees

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 February 20, 2018, Nasdaq MRX, LLC (“MRX” 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 a proposed rule change to clarify certain terms used in the Schedule of Fees, and to make certain other non-substantive changes to the Schedule of Fees.

The text of the proposed rule change is available on the Exchange’s Website at <http://nasdaqmrx.cchwallstreet.com/>, 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 clarify certain terms used in the Schedule of Fees, and to make certain other non-substantive changes to the Schedule of Fees. These proposed changes are designed to make it easier to understand how the Exchange charges fees under the Schedule of Fees, and have no impact on the actual fees charged to members, which will remain unchanged. While the Exchange believes that its members understand the concepts being clarified in this proposed rule change, which have been included in the Schedule of Fees in some cases since the Exchange began aggregating volume from affiliated/appointed firms in 2016,³ the Exchange believes that this proposed rule change will avoid any future potential for member confusion.

First, the Exchange proposes to adopt explicit definitions for the following terms: (1) Market Maker, (2) Affiliated Member, and (3) Appointed Member. As proposed, a "Market Maker" is a market maker as defined in Nasdaq MRX Rule 100(a)(30); an

³ See Securities Exchange Act Release No. 77412 (March 21, 2016), 81 FR 16238 (March 25, 2016) (SR-ISEMercury-2016-06); 77841 (May 16, 2016), 81 FR 31986 (May 20, 2016) (SR-ISEMercury-2016-11).

“Affiliated Member” is a Member that shares at least 75% common ownership with a particular Member as reflected on the Member’s Form BD, Schedule A;⁴ and an “Appointed Member” is either an Appointed Market Maker or Appointed Order Flow Provider. While these terms are currently used in the Schedule of Fees, in capitalized or non-capitalized form, and are described in either the Schedule of Fees or the Nasdaq MRX Rules, as well as the proposed rule changes that adopted the relevant terminology, the Exchange believes that including these definitions in the Preface to the Schedule of Fees will make the Schedule of Fees easier for members to understand. In connection with the above changes, the Exchange also proposes to delete references to the 75% common ownership requirement in the Qualifying Tier Thresholds section of the Schedule of Fees, as this concept is now included in the definition of Affiliated Member.

Second, the Exchange proposes to amend language under the Qualifying Tier Thresholds section of the Schedule of Fees to reference more explicitly how the Exchange aggregates volume executed by Affiliated Members and Appointed Members for purposes of various average daily volume (“ADV”) categories. Currently, this section contains bullets that describe “Total Affiliated Priority Customer ADV” and “Total Affiliated Member ADV,” and separate bullets that describe how the Exchange aggregates this volume with Appointed Members. The Exchange now proposes to incorporate the Appointed Member concept into the bullets that define these ADV categories by adding the words “and/or Appointed” to the ADV category descriptions, and including language that indicates that these categories include volume executed by

⁴ If a firm has multiple exchange memberships housed in a single legal entity (e.g., a Primary Market Maker and an Electronic Access Member) those memberships would be Affiliated Members due to sharing 100% common ownership.

Affiliated Members and/or Appointed Members, which will be aggregated with the Member's volume in the manner described in the Schedule of Fees. In connection with these changes, the Exchange proposes to indicate that these terms "mean" rather than "include" the ADV described in the bullets to reinforce that no other volume is included in these calculations. In addition, the Exchange proposes to remove language indicating that volume executed in the PIM, Facilitation, and QCC mechanisms is included in the ADV category based on Priority Customer volume, as the current language already indicates that all Priority Customer volume in all symbols and order types is included.

Third, the Exchange proposes non-substantive changes to the defined terms "Nasdaq MRX Appointed Market Maker," "Nasdaq MRX Appointed Order Flow Provider," and "Flash Order." Nasdaq MRX Appointed Market Maker and Nasdaq MRX Appointed Order Flow Provider will now be renamed "Appointed Market Maker" and "Appointed Order Flow Provider," respectively, and will be updated with a proper citation to Qualifying Tier Threshold section of the Schedule of Fees, which the Exchange proposes to title "Table 3." With respect to the definition of "Flash Order," the Exchange proposes to change the word "response" to use its non-capitalized form as there is no defined term that refers to a response to a Flash Order.

Fourth, the Exchange proposes to update references to the "Fee Schedule" with the correct title of that document, which is the "Schedule of Fees," and to use all of the defined terms described in this filing where applicable throughout the Schedule of Fees. In addition, the Exchange proposes to add language that indicates that other terms not defined in the Schedule of Fees shall have the meaning ascribed to them under Nasdaq MRX Rules. The Exchange believes that the addition of this language will aid members

in interpreting the Schedule of Fees, which currently uses certain terms that are defined in Nasdaq MRX Rules – e.g., the term “Member”, which is defined in MRX Rule 100(a)(28). With respect to the definition of “Member” in particular, the Exchange proposes to update the text of the Schedule of Fees to use the capitalized term throughout.

Finally, the Exchange proposes to eliminate an obsolete reference to footnote 3 under Section I, Table 2, which is currently marked “Reserved,” and to add the word “instead” to footnote 2 under Section I, Table 1 to reinforce that the taker fees described in that footnote would apply instead of the regular taker fees described in Table 1. With respect to the former change, footnote 1 under Section I, Table 2 contains language stating that fees, i.e., the fee for Crossing Orders, apply to the originating and contra orders, except as noted in footnote 3. Because footnote 3 is now marked reserved, this exception is no longer necessary. With respect to the latter change, footnote 2 under Section I, Table 1 describes a discounted taker fee that is applied to Members that meet specified requirements. The proposed addition of the word “instead” would reinforce that the fees in that footnote are instead of and not in addition to those contained in the table.

2. Statutory Basis

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

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(4) and (5).

Specifically, the Exchange believes that the proposed rule change is reasonable, equitable, and not unfairly discriminatory as it is designed to increase transparency around the Schedule of Fees to the benefit of members and investors. The proposed rule change adopts more explicit definitions for certain terms used in the Schedule of Fees, and makes other non-substantive clarifying changes, which do not impact how the Exchange will charge fees. For the following reasons, the Exchange believes that each of the proposed changes is reasonable, equitable, and not unfairly discriminatory.

The Exchange believes that it is reasonable, equitable, and not unfairly discriminatory to adopt explicit definitions of “Market Maker,” “Affiliated Member,” and “Appointed Member.” The term “Market Maker” is already used throughout the Schedule of Fees and will refer to related definitions already included in the Exchange’s rules. And the terms “Affiliated Member” and “Appointed Member” are based on current language in the Qualifying Tier Thresholds section of the Schedule of Fees. Specifically, the “Affiliated Member” definition replaces language that indicates how the Exchange aggregates volume from affiliates that meet the specified common ownership requirements, and the term “Appointed Member” refers to two types of Members that can agree to have their volume aggregated in the manner described in the Schedule of Fees.

The Exchange believes that the proposes changes related to Total Affiliated and/or Appointed Priority Customer ADV and Total Affiliated and/or Appointed Member ADV are reasonable, equitable, and not unfairly discriminatory as they reinforce the fact that volume executed by Appointed Members may be aggregated in the manner described in the Qualifying Tier Thresholds section of the Schedule of Fees. Although this is an existing concept described in the Schedule of Fees, the Exchange believes that including

all of this information in the bullets that describe these ADV categories will make the Schedule of Fees easier for Members to follow. Furthermore, the other changes being proposed to these categories – including removing unnecessary references to volume executed in the PIM, Facilitation, and QCC mechanisms, and using the word “means” – are non-substantive changes designed to make these descriptions more transparent.

The Exchange believes that the proposed changes to the defined terms “Nasdaq MRX Appointed Market Maker,” “Nasdaq MRX Appointed Order Flow Provider,” and “Flash Order” are reasonable, equitable, and not unfairly discriminatory. In addition to renaming Nasdaq MRX Appointed Market Maker and Nasdaq MRX Appointed Order Flow Provider to “Appointed Market Maker” and “Appointed Order Flow Provider,” respectively, these definitions will be updated with a proper citation so that members can identify where these terms are described in the Schedule of Fees. In addition, the proposed change to the definition of “Flash Order” is a non-substantive change to the capitalization of a word that is not defined in the Schedule of Fees.

The Exchange believes that it is reasonable, equitable, and not unfairly discriminatory to update references to the “Fee Schedule” with the correct title of that document, which is the “Schedule of Fees,” and to use all of the defined terms described in this filing where applicable throughout the Schedule of Fees as these changes are meant to ensure that defined terms are used consistently in the Schedule of Fees. Furthermore, the Exchange believes that it is reasonable, equitable, and not unfairly discriminatory add language that indicates that other terms not defined in the Schedule of Fees shall have the meaning ascribed to them under Nasdaq MRX Rules. Certain definitions contained in the Nasdaq MRX Rules are used in the Schedule of Fees, and the

Exchange believes that adding this reference to the Schedule of Fees will alert members to this fact. With this change, the Exchange will also use the defined term “Member” throughout the Schedule of Fees to indicate that the Exchange is using the defined term contained in the Nasdaq MRX Rules.

Finally, the Exchange believes that it is reasonable, equitable, and not unfairly discriminatory to eliminate the reference to footnote 3 under Section I, Table 2, and to add the word “instead” to footnote 2 under Section I, Table 1. The former change removes an obsolete reference to a footnote that is now marked “Reserved.” The latter reinforces that the taker fees described in that footnote would apply instead of the regular taker fees described in Table 1. While the Exchange believes that members understand that the footnoted taker fees, which are provided to members that meet additional volume and other requirements, apply instead of rather than in addition to the taker fees charged to members that do not meet these requirements, the Exchange believes that spelling this out more explicitly will avoid any potential confusion.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will have any impact on competition as the proposed changes would merely clarify the Schedule of Fees by, among other things, adopting explicit definitions for certain common terms, and making other non-substantive changes. No changes to the actual fees charged to market participants are proposed, and members will continue to be charged the same fees as they are assessed under the Schedule of Fees today.

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.⁷ 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 (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-MRX-2018-07 on the subject line.

⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

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-MRX-2018-07. 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-MRX-2018-07 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.⁸

Eduardo A. Aleman
Assistant Secretary

⁸ 17 CFR 200.30-3(a)(12).

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

Nasdaq MRX Schedule of Fees

* * *

PREFACE

All fee disputes concerning fees which are billed by the Exchange must be submitted to the Exchange in writing and must be accompanied by supporting documentation. All fee disputes must be submitted no later than sixty calendar (60) days after receipt of a billing invoice.

For purposes of assessing fees, the following references should serve as guidance. Terms not defined in this Schedule of Fees shall have the meaning ascribed to them under Nasdaq MRX Rules. Fees and rebates are listed per contract per leg unless otherwise noted.

A "**Priority Customer**" is a person or entity that is not a broker/dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s), as defined in Nasdaq MRX Rule 100(a)(37A).

A "**Professional Customer**" is a person or entity that is not a broker/dealer and is not a Priority Customer.

A "**Market Maker**" is a market maker as defined in Nasdaq MRX Rule 100(a)(30).

A "**Non-Nasdaq MRX Market Maker**" is a market maker as defined in Section 3(a)(38) of the Securities Exchange Act of 1934, as amended, registered in the same options class on another options exchange.

A "**Firm Proprietary**" order is an order submitted by a [m]Member for its own proprietary account.

A "**Broker-Dealer**" order is an order submitted by a [m]Member for a broker-dealer account that is not its own proprietary account.

An "**Affiliated Member**" is a Member that shares at least 75% common ownership with a particular Member as reflected on the Member's Form BD, Schedule A.

An "**[Nasdaq MRX] Appointed Market Maker**" is a [n Nasdaq MRX] Market Maker who has been appointed by an Electronic Access Member pursuant to Section I, Table 3[4].

An "**[Nasdaq MRX] Appointed Order Flow Provider**" is an Electronic Access Member who has been appointed by a [n Nasdaq MRX] Market Maker pursuant to Section I, Table 3[4].

An "**Appointed Member**" is either an Appointed Market Maker or Appointed Order Flow Provider.

A "**Retail**" order is a Priority Customer order that originates from a natural person, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology.

A "**Flash Order**" is an order that is exposed at the National Best Bid or Offer by the Exchange to all [m]Members for execution, as provided under Supplementary Material .02 to Nasdaq MRX Rule 1901. For all Flash Orders, the Exchange will charge the applicable maker fee and for

[R]esponses that trade against a Flash Order, the Exchange will provide the applicable taker fee.

A "**Regular Order**" is an order that consists of only a single option series and is not submitted with a stock leg.

A "**Crossing Order**" is an order executed in the Exchange's Facilitation Mechanism, Solicited Order Mechanism, Price Improvement Mechanism ("PIM") or submitted as a Qualified Contingent Cross order. For purposes of this [Fee Schedule] Schedule of Fees, orders executed in the Block Order Mechanism are also considered Crossing Orders.

"**Responses to Crossing Order**" is any contra-side interest (i.e., orders & quotes) submitted after the commencement of an auction in the Exchange's Facilitation Mechanism, Solicited Order Mechanism, Block Order Mechanism or Price Improvement Mechanism.

"**Penny Symbols**" are options overlying all symbols listed on Nasdaq MRX that are in the Penny Pilot Program. The current list of Nasdaq MRX-listed Penny Pilot Program symbols is available at http://www.ise.com/assets/files/products/productstraded/options_product_equityDownload.csv

"**Non-Penny Symbols**" are options overlying all symbols excluding Penny Symbols.

I. Regular Order Fees and Rebates

Table 1

Penny Symbols

Market Participant	Maker	Maker	Taker	Taker
	Fee	Fee	Fee	Fee
	Tier 1	Tier 2	Tier 1	Tier 2
Market Maker ⁽¹⁾	\$0.20	\$0.00	\$0.50 ⁽²⁾	\$0.50 ⁽²⁾
Non-Nasdaq MRX Market Maker (FarMM)	\$0.47	\$0.47	\$0.50	\$0.50
Firm Proprietary / Broker-Dealer	\$0.47	\$0.47	\$0.50	\$0.50
Professional Customer	\$0.47	\$0.47	\$0.50	\$0.50
Priority Customer	\$0.00	\$0.00	\$0.00	\$0.00

Non-Penny Symbols

Market Participant	Maker	Maker	Taker	Taker
	Fee	Fee	Fee	Fee
	Tier 1	Tier 2	Tier 1	Tier 2
Market Maker ⁽¹⁾	\$0.20	\$0.00	\$0.90 ⁽²⁾	\$0.90 ⁽²⁾
Non-Nasdaq MRX Market Maker (FarMM)	\$0.90	\$0.90	\$0.90	\$0.90
Firm Proprietary / Broker-Dealer	\$0.90	\$0.90	\$0.90	\$0.90
Professional Customer	\$0.90	\$0.90	\$0.90	\$0.90
Priority Customer	\$0.00	\$0.00	\$0.00	\$0.00

1. This fee also applies to [Nasdaq MRX] Market Maker orders sent to the Exchange by Electronic Access Members.

2. A taker fee of \$0.05 per contract applies instead when trading with Priority Customer orders entered by an [affiliated] Affiliated Member or [appointed member] Appointed Member if the [m]Member has a Total Affiliated and/or Appointed Priority Customer ADV of 5,000 contracts or

more. A taker fee of \$0.00 per contract applies instead when trading with Priority Customer orders entered by an [affiliated] Affiliated Member or [appointed member] Appointed Member if the [m]Member has a Total Affiliated and/or Appointed Priority Customer ADV of 50,000 contracts or more.

Table 2**Penny Symbols**

Market Participant	Fee for Crossing Orders⁽¹⁾	Fee for Responses to Crossing Orders
Market Maker ⁽⁴⁾	\$0.20	\$0.50
Non-Nasdaq MRX Market Maker (FarMM)	\$0.20	\$0.50
Firm Proprietary / Broker-Dealer	\$0.20	\$0.50
Professional Customer	\$0.20	\$0.50
Priority Customer	\$0.00	\$0.50

Non-Penny Symbols

Market Participant	Fee for Crossing Orders⁽¹⁾	Fee for Responses to Crossing Orders
Market Maker ⁽⁴⁾	\$0.20	\$0.95
Non-Nasdaq MRX Market Maker (FarMM)	\$0.20	\$0.95
Firm Proprietary / Broker-Dealer	\$0.20	\$0.95
Professional Customer	\$0.20	\$0.95
Priority Customer	\$0.00	\$0.95

1. Fees apply to the originating and contra orders[, except as noted in 3, below].

2. Reserved.

3. Reserved.

4. This fee also applies to [Nasdaq MRX] Market Maker orders sent to the Exchange by Electronic Access Members.

Table 3**Qualifying Tier Thresholds**

Tier	Total Affiliated and/or Appointed Member ADV
Tier 1	0-49,999
Tier 2	50,000 or more

- Any day that the market is not open for the entire trading day or the Exchange instructs

Members in writing to route their orders to other markets may be excluded from the ADV calculation; provided that the Exchange will only remove the day for [m]Members that would have a lower ADV with the day included.

- The highest tier threshold attained applies retroactively in a given month to all eligible traded contracts and applies to all eligible market participants.
- [The] Total Affiliated and/or Appointed Priority Customer ADV [category includes] means all Priority Customer [volume] ADV executed on the Exchange in all symbols and order types, including volume executed by Affiliated Members and/or Appointed Members, which will be aggregated with the Member's volume in the manner described below[in the PIM, Facilitation, and QCC mechanisms].
- [The] Total Affiliated and/or Appointed Member ADV [category includes] means all [volume] ADV executed on the Exchange in all symbols and order types, including volume executed by Affiliated Members and/or Appointed Members, which will be aggregated with the Member's volume in the manner described below.
- All eligible volume from [a]Affiliated Members will be aggregated in determining applicable tiers[, provided there is at least 75% common ownership between the Members as reflected on the Member's Form BD, Schedule A].
- All eligible volume from an [Nasdaq MRX] Appointed Order Flow Provider will be aggregated with its designated [Nasdaq MRX] Appointed Market Maker's eligible volume in determining the [Nasdaq MRX] Appointed Market Maker's applicable tiers, provided the [Nasdaq MRX] Appointed Market Maker is designated by the [Nasdaq MRX] Appointed Order Flow Provider in accordance with the below instructions.
- An [Nasdaq MRX]Appointed Market Maker is eligible to receive and aggregate volume credit from both their [a]Affiliated Members and their [Nasdaq MRX] Appointed Order Flow Provider.
- An [Nasdaq MRX]Appointed Order Flow Provider will not receive volume credit from its [Nasdaq MRX] Appointed Market Maker or the [Nasdaq MRX] Appointed Market Maker's [affiliates] Affiliated Members in determining its applicable tiers.
- Designating an [Nasdaq MRX]Appointed Market Maker / Appointed Order Flow Provider: A[n Nasdaq MRX] Market Maker appoints an Electronic Access Member as its Appointed Order Flow Provider and an Electronic Access Member appoints a[n Nasdaq MRX] Market Maker as its Appointed Market Maker, for the purposes of the [Fee Schedule] Schedule of Fees, by each sending an email to sales@nasdaq.com. These corresponding emails will be viewed as acceptance of the appointment.
- The Exchange will recognize one such designation for each party. A party may make a designation not more than once every 6 months, which designation shall remain in effect until the Exchange receives an email from either party indicating that the appointment has been terminated.

II. Other Options Fees and Rebates

A. Route-Out Fees ¹.

Market Participant	Penny Symbols	Non-Penny Symbols
All Market Participants	\$0.55	\$0.96

¹ Fee applies to executions of orders that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan.

B. Marketing Fee

Market Participant	Penny Symbols	Non-Penny Symbols
Market Maker	\$0.25	\$0.70

- » Marketing fees apply to [Nasdaq MRX] Market Makers for each Regular Priority Customer contract executed except as noted below.
- » Marketing fees are waived for Flash Order responses.
- » Marketing fees are waived for Market Maker orders that take liquidity from the order book.
- » Marketing fees are waived for Crossing Orders and Responses to Crossing Orders.
- » The marketing fee will be rebated proportionately to the [m]Members that paid the fee such that on a monthly basis the marketing fee fund balance administered by a Primary Market Maker for a Group of options established under Rule 802(b) does not exceed \$1 00,000 and the marketing fee fund balance administered by a preferenced Competitive Market Maker for such a Group does not exceed \$100,000. A preferenced Competitive Market Maker that elects not to administer a fund will not be charged the marketing fee. The Exchange assesses an administrative fee of .45% on the total amount of the funds collected each month.