

OMB APPROVAL

OMB Number: 3235-0045
Estimated average burden
hours per response.....38

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 21

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

File No.* SR - 2012 - * 027

Amendment No. (req. for Amendments *)

Proposed Rule Change by NASDAQ Stock Market

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * ☒ Amendment * ☐ Withdrawal ☐

Section 19(b)(2) * ☐ Section 19(b)(3)(A) * ☒ Section 19(b)(3)(B) * ☐

Rule

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

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

Exhibit 2 Sent As Paper Document ☐

Exhibit 3 Sent As Paper Document ☐

Description

Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked *).

A proposed filing relating to routing 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 proposed rule change.

First Name * Angela Last Name * Dunn
Title * Associate General Counsel
E-mail * angela.dunn@nasdaqomx.com
Telephone * (215) 496-5692 Fax

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.

Date 02/13/2012

By Edward S. Knight
(Name *)

Executive Vice President and General Counsel

(Title *)

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.

Edward S Knight,

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information (required)

[Add](#) [Remove](#) [View](#)

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

Exhibit 1 - Notice of Proposed Rule Change (required)

[Add](#) [Remove](#) [View](#)

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

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

[Add](#) [Remove](#) [View](#)

Exhibit Sent As Paper Document

☐

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

Exhibit 3 - Form, Report, or Questionnaire

[Add](#) [Remove](#) [View](#)

Exhibit Sent As Paper Document

☐

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

Exhibit 4 - Marked Copies

[Add](#) [Remove](#) [View](#)

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

Exhibit 5 - Proposed Rule Text

[Add](#) [Remove](#) [View](#)

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

Partial Amendment

[Add](#) [Remove](#) [View](#)

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

1. Text of the Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² The NASDAQ Stock Market LLC (“NASDAQ” or the “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to modify Chapter XV, Section 2, governing pricing for NASDAQ members using the NASDAQ Options Market (“NOM”), NASDAQ’s facility for executing and routing standardized equity and index options.

While changes to the Fee Schedule pursuant to this proposal are effective upon filing, the Exchange has designated these changes to be operative on March 1, 2012.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1 and a copy of applicable portion of the Exchange’s Fee Schedule is attached hereto 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 NASDAQ pursuant to authority delegated by the Board of Directors of NASDAQ on August 19, 2011. NASDAQ staff will advise the Board of Directors of NASDAQ of any action taken pursuant to delegated authority. No other action by NASDAQ is necessary for the filing of the rule change.

Questions regarding this rule filing may be directed to Angela Saccomandi Dunn,

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Associate General Counsel, at (215) 496-5692.

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

a. Purpose

The purpose of this rule filing is to recoup costs that the Exchange incurs for routing and executing Customer, Firm, Market Maker and Professional orders in equity and index options. The Exchange's Routing Fees are located at Chapter XV, Section 2, entitled "NASDAQ Options Market-Fees," and are as follows:

(4) Fees for routing contracts to markets other than the NASDAQ Options Market shall be assessed as provided below. The current fees and a historical record of applicable fees shall be posted on the NasdaqTrader.com website.

Exchange	Customer	Firm	MM	Professional
BATS	\$0.50	\$0.55	\$0.55	\$0.50
BOX	\$0.06	\$0.55	\$0.55	\$0.06
CBOE	\$0.06	\$0.55	\$0.55	\$0.26
CBOE orders greater than 99 contracts in NDX, MNX ETFs, ETNs & HOLDRs	\$0.24	\$0.55	\$0.55	\$0.26
C2	\$0.50	\$0.55	\$0.55	\$0.51
ISE	\$0.06	\$0.55	\$0.55	\$0.24
ISE Select Symbols *	\$0.18	\$0.55	\$0.55	\$0.34
NYSE Arca Penny Pilot	\$0.50	\$0.55	\$0.55	\$0.50
NYSE Arca Non Penny Pilot	\$0.06	\$0.55	\$0.55	\$0.06
NYSE AMEX	\$0.06	\$0.55	\$0.55	\$0.26

PHLX (for all options other than PHLX Select Symbols)	\$0.06	\$0.55	\$0.55	\$0.26
PHLX Select Symbols **	\$0.30	\$0.55	\$0.55	\$0.46

* These fees are applicable to orders routed to ISE that are subject to Rebates and Fees for Adding and Removing Liquidity in Select Symbols. See ISE's Schedule of Fees for the complete list of symbols that are subject to these fees.

** These fees are applicable to orders routed to PHLX that are subject to Rebates and Fees for Adding and Removing Liquidity in Select Symbols. See PHLX's Fee Schedule for the complete list of symbols that are subject to these fees.

The Exchange proposes to amend its Routing Fees as follows:

(4) Fees for routing contracts to markets other than the NASDAQ Options Market shall be assessed as provided below. The current fees and a historical record of applicable fees shall be posted on the NasdaqTrader.com website.

Exchange	Customer	Firm	MM	Professional
BATS	\$0.55	\$0.55	\$0.55	\$0.55
BOX	\$0.11	\$0.55	\$0.55	\$0.11
CBOE	\$0.11	\$0.55	\$0.55	\$0.31
CBOE orders greater than 99 contracts in NDX, MNX ETFs, ETNs & HOLDRs	\$0.29	\$0.55	\$0.55	\$0.31
C2	\$0.55	\$0.55	\$0.55	\$0.55
ISE	\$0.11	\$0.55	\$0.55	\$0.29
ISE Select Symbols *	\$0.23	\$0.55	\$0.55	\$0.39
NYSE Arca Penny Pilot	\$0.55	\$0.55	\$0.55	\$0.55
NYSE Arca Non Penny Pilot	\$0.11	\$0.55	\$0.55	\$0.11

NYSE AMEX	\$0.11	\$0.55	\$0.55	\$0.31
PHLX (for all options other than PHLX Select Symbols)	\$0.11	\$0.55	\$0.55	\$0.31
PHLX Select Symbols **	\$0.35	\$0.55	\$0.55	\$0.51

* These fees are applicable to orders routed to ISE that are subject to Rebates and Fees for Adding and Removing Liquidity in Select Symbols. See ISE's Schedule of Fees for the complete list of symbols that are subject to these fees.

** These fees are applicable to orders routed to PHLX that are subject to Rebates and Fees for Adding and Removing Liquidity in Select Symbols. See PHLX's Fee Schedule for the complete list of symbols that are subject to these fees.

NASDAQ Options Services LLC (“NOS”), a member of the Exchange, is the Exchange’s exclusive order router. Each time NOS routes to away markets NOS is charged a \$0.06 clearing fee and, in the case of certain exchanges, a transaction fee is also charged in certain symbols, which are passed through to the Exchange. The Exchange currently recoups clearing and transaction charges incurred by the Exchange when Customer, Firm, Market Maker and Professional orders are routed to an away market. At this time, the Exchange is proposing to recoup certain other costs incurred by the Exchange when routing to away markets, such as administrative and technical costs associated with operating NOS, the Exchange’s exclusive order router; the Exchange’s membership fees at away markets; and technical costs associated with routing.³ The Exchange is proposing to increase all Customer and Professional Routing Fees. The Exchange is increasing all Customer and Professional Routing Fees by \$0.05 per contract with the exception of the C2 Professional Fee, which is being increased to \$0.55 per

³ In addition to membership fees and transaction fees, the Exchange also incurs an Options Regulatory Fee when routing to an away market that assesses that fee.

contract (instead of \$0.56 per contract).⁴ The Exchange is not proposing to amend Firm and Market Maker Routing Fees at this time. The Exchange does not believe it is necessary to increase Firm and Market Maker Routing Fees beyond that which Firms and Market Makers are assessed today for routing away.⁵

As with all fees, the Exchange may adjust these Routing Fees in response to competitive conditions by filing a new proposed rule change. While changes to the Fee Schedule pursuant to this proposal are effective upon filing, the Exchange has designated these changes to be operative on March 1, 2012.

b. Statutory Basis

NASDAQ believes that the proposed rule changes are consistent with the provisions of Section 6 of the Act,⁶ in general, and with Section 6(b)(4) of the Act,⁷ 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 or system which NASDAQ operates or controls.

The Exchange believes that the proposed Routing Fees are reasonable because the fees would allow the Exchange to recoup costs associated with routing both Customer and Professional orders to away markets. The Exchange believes that these fees will assist it in recouping costs the Exchange incurs by utilizing NOS, maintaining membership fees at away markets and technical expenses associated with the routing

⁴ The Professional Routing Fee to C2 is currently \$0.51 per contract.

⁵ Today, Firms and Market Makers are assessed a Routing Fee of \$0.55 per contract when routing to any away market.

⁶ 15 U.S.C. 78f.

⁷ 15 U.S.C. 78f(b)(4).

process.⁸ The proposed fees also continue to recoup transaction fees assessed by the respective away market, which vary, and standard clearing charges for each transaction, which fees are incurred by the Exchange when routing to away markets. Firms may avoid routing charges by either routing orders themselves directly to the away market that is at the NBBO, or by marking the order with an instruction to not route the order.

The Exchange also believes that the proposed Routing Fees are equitable and not unfairly discriminatory because the fees would be uniformly applied to all Customers and Professionals. The Exchange's proposed fees are calculated to distribute the costs associated with routing among the various away markets. The Exchange determined not to amend the Firm and Market Maker Routing Fees, which are currently the highest Routing Fees (\$0.55 per contract) for each away market. In addition, the Exchange determined to increase the C2 Professional Routing Fee to \$0.55 per contract, instead of \$0.56 per contract⁹ in order that the Routing Fee would not exceed those fees currently assessed for Firm and Market Maker orders that are routed to an away market. The Exchange determined that in light of other fees, the current Firm and Market Maker Routing Fees for routing to all away markets are within the range of fees that are proposed for other away markets. The Exchange does not believe that it is necessary at this time to assess additional Routing Fees to Firms and Market Makers to route to an away market.

⁸ In addition to membership fees and transaction fees, the Exchange also incurs an Options Regulatory Fee when routing to an away market that assesses that fee.

⁹ The Exchange is increasing all Customer and Professional Routing Fees by \$0.05 per contract with the exception of the C2 Professional Fee, which is being increased to \$0.55 per contract.

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

NASDAQ 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.

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,¹⁰ NASDAQ has designated this proposal as establishing or changing a due, fee, or other charge imposed 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.

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

The proposed rule change is based on a rule filing by NYSE Amex LLC ("NYSE Amex").¹¹

¹⁰ 15 U.S.C. 78s(b)(3)(A)(ii).

¹¹ See Securities Exchange Act Release No. 61788 (March 26, 2010) 75 FR 16543 (April 1, 2010), (SR-NYSEAmex-2010-07) (a rule filing to recover routing, clearing and transaction fees for the execution of orders routed to away exchanges). NYSE Amex assesses the Routing Surcharge on all non-customer orders routed to away markets and on Customer orders that are charged transaction fees at the executing exchange. NYSE Amex does not assess a Routing Fee if the executing exchange does not charge a transaction fee for the execution of the Customer order. NYSE Amex assesses (i) an \$0.11 per contract Routing Surcharge, and (ii) all actual charges assessed by the away exchange(s) (calculated on an order-by-order basis since different away exchanges charge different amounts). The Routing Surcharge is in addition to NYSE Amex's

9. Exhibits

1. Notice of proposed rule for publication in the Federal Register.
5. Applicable rule text.

customary execution fees applicable to the order. The Exchange proposes to amend its Routing Fees to similarly recoup costs for operating and maintaining NOS and memberships at other exchanges. Today the Exchange recoups costs associated with transaction fees at away markets and clearing costs. With respect to transaction fees, the Exchange assesses the rates that are charged by the away market.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____; File No. SR-NASDAQ-2012-027)

February __, 2012

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of
Proposed Rule Change by The NASDAQ Stock Market LLC Relating to Routing Fees

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹, and Rule 19b-4² thereunder, notice is hereby given that on February 13, 2012. 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 NASDAQ. 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 NASDAQ Stock Market LLC proposes to modify Chapter XV, Section 2, governing pricing for NASDAQ members using the NASDAQ Options Market ("NOM"), NASDAQ's facility for executing and routing standardized equity and index options.

While changes to the Fee Schedule pursuant to this proposal are effective upon filing, the Exchange has designated these changes to be operative on March 1, 2012.

The text of the proposed rule change is available on the Exchange's Website at <http://www.nasdaq.cchwallstreet.com>, at the principal office of the Exchange, and at the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Commission's Public Reference Room.

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. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The purpose of this rule filing is to recoup costs that the Exchange incurs for routing and executing Customer, Firm, Market Maker and Professional orders in equity and index options. The Exchange's Routing Fees are located at Chapter XV, Section 2, entitled "NASDAQ Options Market-Fees," and are as follows:

(4) Fees for routing contracts to markets other than the NASDAQ Options Market shall be assessed as provided below. The current fees and a historical record of applicable fees shall be posted on the NasdaqTrader.com website.

Exchange	Customer	Firm	MM	Professional
BATS	\$0.50	\$0.55	\$0.55	\$0.50
BOX	\$0.06	\$0.55	\$0.55	\$0.06
CBOE	\$0.06	\$0.55	\$0.55	\$0.26
CBOE orders greater than 99 contracts in NDX, MNX ETFs, ETNs & HOLDRs	\$0.24	\$0.55	\$0.55	\$0.26

C2	\$0.50	\$0.55	\$0.55	\$0.51
ISE	\$0.06	\$0.55	\$0.55	\$0.24
ISE Select Symbols *	\$0.18	\$0.55	\$0.55	\$0.34
NYSE Arca Penny Pilot	\$0.50	\$0.55	\$0.55	\$0.50
NYSE Arca Non Penny Pilot	\$0.06	\$0.55	\$0.55	\$0.06
NYSE AMEX	\$0.06	\$0.55	\$0.55	\$0.26
PHLX (for all options other than PHLX Select Symbols)	\$0.06	\$0.55	\$0.55	\$0.26
PHLX Select Symbols **	\$0.30	\$0.55	\$0.55	\$0.46

* These fees are applicable to orders routed to ISE that are subject to Rebates and Fees for Adding and Removing Liquidity in Select Symbols. See ISE's Schedule of Fees for the complete list of symbols that are subject to these fees.

** These fees are applicable to orders routed to PHLX that are subject to Rebates and Fees for Adding and Removing Liquidity in Select Symbols. See PHLX's Fee Schedule for the complete list of symbols that are subject to these fees.

The Exchange proposes to amend its Routing Fees as follows:

(4) Fees for routing contracts to markets other than the NASDAQ Options Market shall be assessed as provided below. The current fees and a historical record of applicable fees shall be posted on the NasdaqTrader.com website.

Exchange	Customer	Firm	MM	Professional
BATS	\$0.55	\$0.55	\$0.55	\$0.55
BOX	\$0.11	\$0.55	\$0.55	\$0.11
CBOE	\$0.11	\$0.55	\$0.55	\$0.31

CBOE orders greater than 99 contracts in NDX, MNX ETFs, ETNs & HOLDRs	\$0.29	\$0.55	\$0.55	\$0.31
---	--------	--------	--------	--------

C2	\$0.55	\$0.55	\$0.55	\$0.55
----	--------	--------	--------	--------

ISE	\$0.11	\$0.55	\$0.55	\$0.29
-----	--------	--------	--------	--------

ISE Select Symbols *	\$0.23	\$0.55	\$0.55	\$0.39
----------------------	--------	--------	--------	--------

NYSE Arca Penny Pilot	\$0.55	\$0.55	\$0.55	\$0.55
-----------------------	--------	--------	--------	--------

NYSE Arca Non Penny Pilot	\$0.11	\$0.55	\$0.55	\$0.11
---------------------------	--------	--------	--------	--------

NYSE AMEX	\$0.11	\$0.55	\$0.55	\$0.31
-----------	--------	--------	--------	--------

PHLX (for all options other than PHLX Select Symbols)	\$0.11	\$0.55	\$0.55	\$0.31
---	--------	--------	--------	--------

PHLX Select Symbols **	\$0.35	\$0.55	\$0.55	\$0.51
------------------------	--------	--------	--------	--------

* These fees are applicable to orders routed to ISE that are subject to Rebates and Fees for Adding and Removing Liquidity in Select Symbols. See ISE's Schedule of Fees for the complete list of symbols that are subject to these fees.

** These fees are applicable to orders routed to PHLX that are subject to Rebates and Fees for Adding and Removing Liquidity in Select Symbols. See PHLX's Fee Schedule for the complete list of symbols that are subject to these fees.

NASDAQ Options Services LLC (“NOS”), a member of the Exchange, is the Exchange’s exclusive order router. Each time NOS routes to away markets NOS is charged a \$0.06 clearing fee and, in the case of certain exchanges, a transaction fee is also charged in certain symbols, which are passed through to the Exchange. The Exchange currently recoups clearing and transaction charges incurred by the Exchange when Customer, Firm, Market Maker and Professional orders are routed to an away market. At this time, the Exchange is proposing to recoup certain other costs incurred by

the Exchange when routing to away markets, such as administrative and technical costs associated with operating NOS, the Exchange's exclusive order router; the Exchange's membership fees at away markets; and technical costs associated with routing.³ The Exchange is proposing to increase all Customer and Professional Routing Fees. The Exchange is increasing all Customer and Professional Routing Fees by \$0.05 per contract with the exception of the C2 Professional Fee, which is being increased to \$0.55 per contract (instead of \$0.56 per contract).⁴ The Exchange is not proposing to amend Firm and Market Maker Routing Fees at this time. The Exchange does not believe it is necessary to increase Firm and Market Maker Routing Fees beyond that which Firms and Market Makers are assessed today for routing away.⁵

As with all fees, the Exchange may adjust these Routing Fees in response to competitive conditions by filing a new proposed rule change. While changes to the Fee Schedule pursuant to this proposal are effective upon filing, the Exchange has designated these changes to be operative on March 1, 2012.

2. Statutory Basis

NASDAQ believes that the proposed rule changes are consistent with the provisions of Section 6 of the Act,⁶ in general, and with Section 6(b)(4) of the Act,⁷ in

³ In addition to membership fees and transaction fees, the Exchange also incurs an Options Regulatory Fee when routing to an away market that assesses that fee.

⁴ The Professional Routing Fee to C2 is currently \$0.51 per contract.

⁵ Today, Firms and Market Makers are assessed a Routing Fee of \$0.55 per contract when routing to any away market.

⁶ 15 U.S.C. 78f.

⁷ 15 U.S.C. 78f(b)(4).

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 or system which NASDAQ operates or controls.

The Exchange believes that the proposed Routing Fees are reasonable because the fees would allow the Exchange to recoup costs associated with routing both Customer and Professional orders to away markets. The Exchange believes that these fees will assist it in recouping costs the Exchange incurs by utilizing NOS, maintaining membership fees at away markets and technical expenses associated with the routing process.⁸ The proposed fees also continue to recoup transaction fees assessed by the respective away market, which vary, and standard clearing charges for each transaction, which fees are incurred by the Exchange when routing to away markets. Firms may avoid routing charges by either routing orders themselves directly to the away market that is at the NBBO, or by marking the order with an instruction to not route the order.

The Exchange also believes that the proposed Routing Fees are equitable and not unfairly discriminatory because the fees would be uniformly applied to all Customers and Professionals. The Exchange's proposed fees are calculated to distribute the costs associated with routing among the various away markets. The Exchange determined not to amend the Firm and Market Maker Routing Fees, which are currently the highest Routing Fees (\$0.55 per contract) for each away market. In addition, the Exchange determined to increase the C2 Professional Routing Fee to \$0.55 per contract, instead of

⁸ In addition to membership fees and transaction fees, the Exchange also incurs an Options Regulatory Fee when routing to an away market that assesses that fee.

\$0.56 per contract⁹ in order that the Routing Fee would not exceed those fees currently assessed for Firm and Market Maker orders that are routed to an away market. The Exchange determined that in light of other fees, the current Firm and Market Maker Routing Fees for routing to all away markets are within the range of fees that are proposed for other away markets. The Exchange does not believe that it is necessary at this time to assess additional Routing Fees to Firms and Market Makers to route to an away market.

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.

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.¹⁰ 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

⁹ The Exchange is increasing all Customer and Professional Routing Fees by \$0.05 per contract with the exception of the C2 Professional Fee, which is being increased to \$0.55 per contract.

¹⁰ 15 U.S.C. 78s(b)(3)(A)(ii).

Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

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

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NASDAQ-2012-027 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-NASDAQ-2012-027. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The

Commission will post all comments on the Commission's Internet Web site

(<http://www.sec.gov/rules/sro.shtml>).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the

provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-NASDAQ-2012-027 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.¹¹

Kevin M. O'Neill
Deputy Secretary

¹¹ 17 CFR 200.30-3(a)(12).

Exhibit 5

New text is underlined; deleted text is in brackets.

NASDAQ STOCK MARKET RULES

* * * * *

Options Rules

* * * * *

Chapter XV Options Fees

* * * * *

Sec. 2 NASDAQ Options Market – Fees

* * * * *

(4) Fees for routing contracts to markets other than the NASDAQ Options Market shall be assessed as provided below. The current fees and a historical record of applicable fees shall be posted on the NasdaqTrader.com website.

Exchange	Customer	Firm	MM	Professional
BATS	\$0.[50] <u>55</u>	\$0.55	\$0.55	\$0.[50] <u>55</u>
BOX	\$0.[06] <u>11</u>	\$0.55	\$0.55	\$0.[06] <u>11</u>
CBOE	\$0.[06] <u>11</u>	\$0.55	\$0.55	\$0.[26] <u>31</u>
CBOE orders greater than 99 contracts in NDX, MNX ETFs, ETNs & HOLDRs	\$0.[24] <u>29</u>	\$0.55	\$0.55	\$0.[26] <u>31</u>
C2	\$0.[50] <u>55</u>	\$0.55	\$0.55	\$0.[51] <u>55</u>
ISE	\$0.[06] <u>11</u>	\$0.55	\$0.55	\$0.[24] <u>29</u>

ISE Select Symbols *	\$0.[18] <u>23</u>	\$0.55	\$0.55	\$0.[34] <u>39</u>
NYSE Arca Penny Pilot	\$0.[50] <u>55</u>	\$0.55	\$0.55	\$0.[50] <u>55</u>
NYSE Arca Non Penny Pilot	\$0.[06] <u>11</u>	\$0.55	\$0.55	\$0.[06] <u>11</u>
NYSE AMEX	\$0.[06] <u>11</u>	\$0.55	\$0.55	\$0.[26] <u>31</u>
PHLX (for all options other than PHLX Select Symbols)	\$0.[06] <u>11</u>	\$0.55	\$0.55	\$0.[26] <u>31</u>
PHLX Select Symbols **	\$0.[30] <u>35</u>	\$0.55	\$0.55	\$0.[46] <u>51</u>

* These fees are applicable to orders routed to ISE that are subject to Rebates and Fees for Adding and Removing Liquidity in Select Symbols. See ISE's Schedule of Fees for the complete list of symbols that are subject to these fees.

** These fees are applicable to orders routed to PHLX that are subject to Rebates and Fees for Adding and Removing Liquidity in Select Symbols. See PHLX's Fee Schedule for the complete list of symbols that are subject to these fees.

* * * * *