

*Required fields are shown with yellow backgrounds and asterisks.*

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

File No.\* SR - 2012 - \* 056

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 * <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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## 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)

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 \*).

Proposed amendments to Rules 7001 and 7018h

**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 *	John	Last Name *	Yetter
Title *	Vice President		
E-mail *	john.yetter@nasdaqomx.com		
Telephone *	(301) 978-8497	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 officer.

Date 04/30/2012

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 EFFS 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 Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> The NASDAQ Stock Market LLC (“NASDAQ” or “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) proposed amendments to Rules 7001 and 7018(h).

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1 and 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 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. NASDAQ proposes to implement the proposed rule change on May 1, 2012.

Questions regarding this rule filing may be directed to John M. Yetter, Vice President and Deputy General Counsel, NASDAQ OMX, 301-978-8497.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 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

NASDAQ is proposing to eliminate its long-standing trade reporting fee found in Rule 7018(h) and institute an increase in its monthly trading rights fee under Rule 7001. NASDAQ's goal in making this change is to assess a more uniform fee for the post-trade processing that NASDAQ provides to members that trade on the NASDAQ Market Center. Currently, Rule 7018(h) assesses a fee of \$0.029 per side per trade report if a member is party to an average daily volume of trade reports during the month of less than 15,000, but does not assess a fee for higher volumes of trade reports. NASDAQ is proposing instead to increase the monthly trading rights fee from \$500 to \$1,000 for all members.

The fee under Rule 7018(h) was assessed for the provision of post-trade processing by the Automated Confirmation Transaction system ("ACT") and the BRACE systems. ACT and BRACE are NASDAQ's proprietary systems that facilitate post-execution price and volume reporting, reconciliation, and clearing of trades occurring on NASDAQ.<sup>3</sup> Specifically, ACT matches and processes trade changes/corrections and sends transactions reports to the securities information processors that disseminate trade information to the public. BRACE sends trade information to National Securities Clearing Corporation ("NSCC") for clearing. The systems also store data for downloading and review by member firms, clearing firms, and by FINRA for regulatory analysis. Data produced through NASDAQ's post-trade processes is stored, at

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<sup>3</sup> ACT also supports the operation of the FINRA/NASDAQ Trade Reporting Service.

considerable expense, for a period of at least five years. The increase in the trading rights fee is intended to ensure that all members defray a portion of the substantial fixed costs associated with post-trade processing.

b. Statutory Basis

NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>4</sup> in general, and with Sections 6(b)(4) and 6(b)(5) of the Act,<sup>5</sup> 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, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. NASDAQ believes that the fee change is reasonable because it is designed to ensure that all members defray a portion of the substantial fixed costs associated with post-trade processing. Moreover, the size of the increase in the trading rights fee compares favorably with other monthly fees for fixed cost services provided by the Exchange, such as the fees for access services under Rule 7015. NASDAQ also notes that many of the members that have previously paid a fee under Rule 7018(h) will see a reduction in their monthly charges; NASDAQ further believes that it is reasonable for members that have not previously paid a fee for post-trade processing to be assessed a charge that reflects the benefits from these services. The fee change is consistent with an equitable allocation of fees because it will ensure that all members that receive benefits from the post-trade processing provided by NASDAQ pay a fee that contributes to the costs incurred in operating the systems that

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<sup>4</sup> 15 U.S.C. 78f.

<sup>5</sup> 15 U.S.C. 78f(b)(4) and (5).

perform these functions. Finally, the fee change is not unfairly discriminatory because it applies to all members.

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

NASDAQ does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. Because the market for exchange services is extremely competitive, members may readily opt to disfavor NASDAQ if they believe that alternatives offer them better value. For this reason and the reasons discussed in connection with the statutory basis for the proposed rule change, NASDAQ does not believe that the proposed changes will impair the ability of members or competing trading venues to maintain their competitive standing in the financial markets.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor 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,<sup>6</sup> NASDAQ 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.

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<sup>6</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

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. Exhibits

1. Completed notice of proposed rule change for publication in the Federal Register.
5. Text of the proposed rule change.

**EXHIBIT 1**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-NASDAQ-2012-056)

May \_\_, 2012

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Amendments to Rules 7001 and 7018(h)

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 30, 2012, The NASDAQ Stock Market LLC (“NASDAQ” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a proposed rule change as described in Items I and II 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

NASDAQ proposes amendments to Rules 7001 and 7018(h). NASDAQ will implement the proposed change on May 1, 2012. The text of the proposed rule change is available at <http://nasdaq.cchwallstreet.com>, at NASDAQ’s principal office, and at the 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 self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item III below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

NASDAQ is proposing to eliminate its long-standing trade reporting fee found in Rule 7018(h) and institute an increase in its monthly trading rights fee under Rule 7001. NASDAQ's goal in making this change is to assess a more uniform fee for the post-trade processing that NASDAQ provides to members that trade on the NASDAQ Market Center. Currently, Rule 7018(h) assesses a fee of \$0.029 per side per trade report if a member is party to an average daily volume of trade reports during the month of less than 15,000, but does not assess a fee for higher volumes of trade reports. NASDAQ is proposing instead to increase the monthly trading rights fee from \$500 to \$1,000 for all members.

The fee under Rule 7018(h) was assessed for the provision of post-trade processing by the Automated Confirmation Transaction system ("ACT") and the BRACE systems. ACT and BRACE are NASDAQ's proprietary systems that facilitate post-execution price and volume reporting, reconciliation, and clearing of trades occurring on NASDAQ.<sup>3</sup> Specifically, ACT matches and processes trade changes/corrections and sends transactions reports to the securities information processors that disseminate trade

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<sup>3</sup> ACT also supports the operation of the FINRA/NASDAQ Trade Reporting Service.

information to the public. BRACE sends trade information to National Securities Clearing Corporation (“NSCC”) for clearing. The systems also store data for downloading and review by member firms, clearing firms, and by FINRA for regulatory analysis. Data produced through NASDAQ’s post-trade processes is stored, at considerable expense, for a period of at least five years. The increase in the trading rights fee is intended to ensure that all members defray a portion of the substantial fixed costs associated with post-trade processing.

## 2. Statutory Basis

NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>4</sup> in general, and with Sections 6(b)(4) and 6(b)(5) of the Act,<sup>5</sup> 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, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. NASDAQ believes that the fee change is reasonable because it is designed to ensure that all members defray a portion of the substantial fixed costs associated with post-trade processing. Moreover, the size of the increase in the trading rights fee compares favorably with other monthly fees for fixed cost services provided by the Exchange, such as the fees for access services under Rule 7015. NASDAQ also notes that many of the members that have previously paid a fee under Rule 7018(h) will see a reduction in their monthly charges; NASDAQ further believes that it is reasonable for members that have not previously paid a fee for post-

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<sup>4</sup> 15 U.S.C. 78f.

<sup>5</sup> 15 U.S.C. 78f(b)(4) and (5).

trade processing to be assessed a charge that reflects the benefits from these services. The fee change is consistent with an equitable allocation of fees because it will ensure that all members that receive benefits from the post-trade processing provided by NASDAQ pay a fee that contributes to the costs incurred in operating the systems that perform these functions. Finally, the fee change is not unfairly discriminatory because it applies to all members.

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

NASDAQ does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. Because the market for exchange services is extremely competitive, members may readily opt to disfavor NASDAQ if they believe that alternatives offer them better value. For this reason and the reasons discussed in connection with the statutory basis for the proposed rule change, NASDAQ does not believe that the proposed changes will impair the ability of members or competing trading venues to maintain their competitive standing in the financial markets.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor 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.<sup>6</sup> 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

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<sup>6</sup> 15 U.S.C. 78s(b)(3)(a)(ii).

appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

#### IV. Solicitation of Comments

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

##### Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NASDAQ-2012-056 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-2012-056. 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 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal offices 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-2012-056, 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.<sup>7</sup>

Kevin M. O'Neill  
Deputy Secretary

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<sup>7</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

The text of the proposed rule change is below. Proposed new language is underlined; deletions are bracketed.

**7001. Membership Fees**

(a) Each Nasdaq member will be assessed a membership fee of \$3,000 per year and a trading rights fee of \$[500]1,000 per month. The membership fee will be imposed on all persons that are Nasdaq members as of a date determined by Nasdaq in December of each year, and the trading rights fee will be assessed on all persons that are Nasdaq members as of a date determined by Nasdaq in each month. The fees are not refundable in the event that a person ceases to be a Nasdaq member following the date on which the fees are assessed.

(b) – (c) No change.

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**7018. Nasdaq Market Center Order Execution and Routing**

(a) – (g) No change.

(h) Reserved [Reporting Charges for Trades Executed through the Nasdaq Market Center]

[Reporting of transactions automatically executed through the Nasdaq Market Center System ("Nasdaq Market Center Covered Transactions")]

[Average daily volume of transaction reports for Nasdaq Market Center Covered Transactions during the month to which a participant is a party:]	[Fee per side for transaction reports of the Nasdaq Market Center Covered Transactions to which such participant is a party:]
[0 to 14,999]	[\$0.029]
[15,000 or more]	[\$0.00]

(i) – (l) No change.