Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) *
Section 806(e)(2) *

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) *

Exhibit 2 Sent As Paper Document
Exhibit 3 Sent As Paper Document

Briefly describe the action (limit 250 characters, required when Initial is checked *).

A Proposed Rule Change to Modify the Definition of “System Securities” in NASDAQ Rule 4751.

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 * Jeffrey
Last Name * Davis
Title * VP and Deputy General Counsel
E-mail * jeffrey.davis@nasdaqomx.com
Telephone * (301) 978-8484 Fax (301) 978-8472

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.

(Date *)

Executive Vice President and General Counsel

By Edward S. Knight

(Persona Not Validated - 1383935917270)
| Form 19b-4 Information * | 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. |
| Add | Remove | View |

| Exhibit 1 - Notice of Proposed Rule Change * | 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) |
| Add | Remove | View |

| Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies * | 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) |
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| Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications | 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. |
| Add | Remove | View |

| Exhibit Sent As Paper Document |

| Exhibit 3 - Form, Report, or Questionnaire | 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. |
| Add | Remove | View |

| Exhibit Sent As Paper Document |

| Exhibit 4 - Marked Copies | 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. |
| Add | Remove | View |

| Exhibit 5 - Proposed Rule Text | 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. |
| Add | Remove | View |

| Partial Amendment | 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. |
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1. **Text of Proposed Rule Change**

   (a) Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”) and Rule 19b-4 thereunder, The NASDAQ Stock Market LLC (“NASDAQ” or ”Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to modify the definition of “System Securities” set forth in NASDAQ Rule 4751.

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

   * * * * *

   **4751. Definitions**

   The following definitions apply to the Rule 4600 and 4750 Series for the trading of securities listed on Nasdaq or a national securities exchange other than Nasdaq.

   **(a) No Change.**

   **(b)** The term "System Securities" shall mean (1) all securities listed on Nasdaq and (2) all securities subject to the Consolidated Tape Association Plan and the Consolidated Quotation Plan except securities specifically excluded from trading via a list of excluded securities posted on www.nasdaqtrader.com.

   **(c) – (i) No Change.**

   * * * * *

   (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 the Exchange on July 17, 2013.


2013. NASDAQ staff will advise the Board of Directors of the Exchange 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 Jeffrey S. Davis, Deputy General Counsel, The NASDAQ OMX Group, Inc., at (301) 978-8484.

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

a. Purpose

The Exchange proposes to modify the definition of “System Securities” set forth in NASDAQ Rule 4751(b) to clarify that while all securities covered by the Consolidated Tape Association Plan and Consolidated Quotation Plan ("CT/CQ Securities") are eligible to be traded on NASDAQ and NASDAQ intends to trade all CT/CQ Securities, NASDAQ will not trade certain securities within that class. By making both a “positive” and a “negative” designation, NASDAQ will clearly signal to its members and to investors that NASDAQ intends to trade certain CT/CQ Securities and not to trade others, and which securities fall into each category.

NASDAQ proposes to effectuate this designation by maintaining a list on the [www.nasdaqtrader.com](http://www.nasdaqtrader.com) website of securities that are excluded from this designation and thus excluded from trading on NASDAQ. The NasdaqTrader website is the primary mechanism for NASDAQ to communicate with its members about trading on the exchange. NASDAQ members already receive daily information from the website including a daily list of active System Securities, as well as a list of corporate actions and other trading information. Adding a list of CT/CQ securities that are excluded from trading will be an effective complement to the daily information already provided. The
rules of other exchanges also provide a designation process that clearly contemplates the trading of less than all eligible securities (see, e.g., BATS Rule 11.2).

b. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act, in general, and with Section 6(b)(5) of the Act, in particular, in that it is designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transaction in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

NASDAQ believes that the proposal is consistent with the Act in that it provides for greater clarity about the securities traded on the Exchange and, thereby, enhances the Exchange and the national market system. The proposal does not permit unfair discrimination; rather all designated securities may be traded by all members in a free and open market. The proposal does not unfairly discriminate against securities that will not trade on NASDAQ. NASDAQ is not obligated by the Exchange Act to extend unlisted trading privileges to all CT/CQ Securities. Additionally, all CT/CQ Securities will continue to trade on their listing market and on numerous other exchanges that have extended unlisted trading privileges to them.

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

The Exchange 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. The proposed change will simply clarify the manner by which NASDAQ extends unlisted trading privileges to CT/CQ Securities, a practice provided for under the Act and already exercised by NASDAQ. CT/CQ Securities will continue to be subject to meaningful competition because they will trade on their listing market and on numerous exchanges that have extended unlisted trading privileges to them.

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)**

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative

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6 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.
for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The Exchange believes that this proposal is non-controversial and eligible to become effective immediately because it does not expand the set of securities eligible to be traded on the Exchange, or change the manner in which those securities are traded on the Exchange. The proposal will reduce very slightly the securities that trade on NASDAQ; however, those securities will continue to trade on their listing exchange and on numerous exchanges that have extended unlisted trading privileges to them. Therefore, the proposal should have little or no effect on members or investors.

The Exchange requests that the Commission waive the thirty day operative delay contained in Rule 19b-4(f)(6)(iii) of the Act. The Exchange requests the waiver because it will allow the proposal to be both effective and operative immediately. The proposal is designed to provide clarity about securities traded on the Exchange.

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

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.

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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
    Exhibit 1 – Form of Notice of Proposed Rule Change for Federal Register.
SELF-REGULATORY ORGANIZATIONS; THE NASDAQ STOCK MARKET LLC; NOTICE OF FILING AND IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE TO MODIFY THE DEFINITION OF “SYSTEM SECURITIES” IN NASDAQ RULE 4751

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),1 and Rule 19b-4 thereunder,2 notice is hereby given that on December 19, 2013, The NASDAQ Stock Market LLC (“NASDAQ” or “Exchange”), filed with the Securities and Exchange Commission (“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 the Substance of the Proposed Rule Change

The Exchange proposes to modify the definition of “System Securities” set forth in NASDAQ Rule 4751.

The text of the proposed rule change is available from NASDAQ’s website at http://nasdaq.cchwallstreet.com/Filings/, 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 Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it

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

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

1. Purpose

The Exchange proposes to modify the definition of “System Securities” set forth in NASDAQ Rule 4751(b) to clarify that while all securities covered by the Consolidated Tape Association Plan and Consolidated Quotation Plan (“CT/CQ Securities”) are eligible to be traded on NASDAQ and NASDAQ intends to trade all CT/CQ Securities, NASDAQ will not trade certain securities within that class. By making both a “positive” and a “negative” designation, NASDAQ will clearly signal to its members and to investors that NASDAQ intends to trade certain CT/CQ Securities and not to trade others, and which securities fall into each category.

NASDAQ proposes to effectuate this designation by maintaining a list on the www.nasdaqtrader.com website of securities that are excluded from this designation and thus excluded from trading on NASDAQ. The NasdaqTrader website is the primary mechanism for NASDAQ to communicate with its members about trading on the exchange. NASDAQ members already receive daily information from the website including a daily list of active System Securities, as well as a list of corporate actions and other trading information. Adding a list of CT/CQ securities that are excluded from trading will be an effective complement to the daily information already provided. The rules of other exchanges also provide a designation process that clearly contemplates the trading of less than all eligible securities (see, e.g., BATS Rule 11.2).
2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,\(^3\) in general, and with Section 6(b)(5) of the Act,\(^4\) in particular, in that it is designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transaction in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

NASDAQ believes that the proposal is consistent with the Act in that it provides for greater clarity about the securities traded on the Exchange and, thereby, enhances the Exchange and the national market system. The proposal does not permit unfair discrimination; rather all designated securities may be traded by all members in a free and open market. The proposal does not unfairly discriminate against securities that will not trade on NASDAQ. NASDAQ is not obligated by the Exchange Act to extend unlisted trading privileges to all CT/CQ Securities. Additionally, all CT/CQ Securities will continue to trade on their listing market and on numerous other exchanges that have extended unlisted trading privileges to them.

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

The Exchange 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. The proposed change will simply clarify the manner by which NASDAQ extends unlisted trading privileges to CT/CQ Securities, a practice provided for under the Act and already exercised by NASDAQ. CT/CQ Securities will continue to be subject to meaningful competition because they will trade on their listing market and on numerous exchanges that have extended unlisted trading privileges to them.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act and subparagraph (f)(6) of Rule 19b-4 thereunder.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. The

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6 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.
Exchange has provided the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, as amended, 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-2013-160 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-2013-160. 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-2013-160, 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.7

Kevin M. O’Neill
Deputy Secretary