

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="46"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2013"/> - * <input type="text" value="166"/>	Amendment No. (req. for Amendments *) <input type="text"/>
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Filing 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"/>
			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 type="checkbox"/> 19b-4(f)(6)
			<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"/>
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Description

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

A proposal to make changes to its schedule of fees and credits applicable to execution of orders under Rule 7018, and its Investor Support Program ("ISP") of credits under Rule 7014.

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="John"/>	Last Name * <input type="text" value="Yetter"/>
Title * <input type="text" value="Vice President"/>	
E-mail * <input type="text" value="john.yetter@nasdaqomx.com"/>	
Telephone * <input type="text" value="(301) 978-8497"/>	Fax <input type="text" value="(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.

(Title *)

Date <input type="text" value="12/30/2013"/>	Executive Vice President and General Counsel
By <input type="text" value="Edward S. Knight"/>	
(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.

Persona Not Validated - 1383935917270,

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

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

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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 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 “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposal to make changes to its schedule of fees and credits applicable to execution of orders under Rule 7018, and its Investor Support Program (“ISP”) of credits under Rule 7014.

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 July 17, 2013. 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 January 2, 2014.

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

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

NASDAQ is proposing to make two pricing changes, effective January 2, 2014. First, NASDAQ is modifying the ISP by eliminating one of the set of criteria under which a member may qualify for a \$0.0001 credit under the program; the change reflects the fact that members have not, in the recent past, qualified for the program under the set of criteria that is being eliminated, and therefore the change will not affect ISP participants in any respect. The ISP enables NASDAQ members to earn a monthly fee credit for providing additional liquidity to NASDAQ and increasing the NASDAQ-traded volume of what are generally considered to be retail and institutional investor orders in exchange-traded securities ("targeted liquidity"). Participants in the ISP are required to designate specific NASDAQ order entry ports for use under the ISP and to meet specified criteria focused on market participation, liquidity provision, and high rates of order execution. Currently, a member that participates in the ISP receives a credit of \$0.00005, \$0.0001, or \$0.0002 per share with respect to the number of shares of displayed liquidity provided by the member that execute at \$1 or more per share.³ The precise credit rate is determined by factors designed to measure the degree of the member's participation in the Nasdaq Market Center and the percentage of orders that it enters that execute – its "ISP Execution Ratio" – which is seen as indicative of retail or institutional participation.

Under the set of criteria that is being eliminated, a member might qualify for a credit of \$0.0002 per share with respect to shares of displayed liquidity executed at a

³ A participant in the ISP must designate specific order-entry ports for use in tabulating certain requirements under the program.

price of \$1 or more and entered through ISP-designated ports, and \$0.00005 per share with respect to all other shares of displayed liquidity executed at a price of \$1 or more, if the following conditions were met:

(1) The member's Participation Ratio⁴ for the month exceeds its Baseline Participation Ratio⁵ by at least 0.30%. The requirement reflects the expectation that in order to earn a higher rebate under the program, a member participating in the program must increase its participation in NASDAQ as compared with an historical baseline.

(2) The member's "ISP Execution Ratio" for the month must be less than 10. The ISP Execution Ratio is defined as "the ratio of (A) the total number of liquidity-providing orders entered by a member through its ISP-designated ports during the specified time period to (B) the number of liquidity-providing orders entered by such member through its ISP-designated ports and executed (in full or partially) in the Nasdaq

⁴ "Participation Ratio" is defined as follows: "[F]or a given member in a given month, the ratio of (A) the number of shares of liquidity provided in orders entered by the member through any of its Nasdaq ports and executed in the Nasdaq Market Center during such month to (B) the Consolidated Volume." "Consolidated Volume" is defined as follows: "[T]he total consolidated volume reported to all consolidated transaction reporting plans by all exchanges and trade reporting facilities during a month, excluding executed orders with a size of less than one round lot."

⁵ "Baseline Participation Ratio" is defined as follows: "[W]ith respect to a member, the lower of such member's Participation Ratio for the month of August 2010 or the month of August 2011, provided that in calculating such Participation Ratios, the numerator shall be increased by the amount (if any) of the member's Indirect Order Flow for such month, and provided further that if the result is zero for either month, the Baseline Participation Ratio shall be deemed to be 0.485% (when rounded to three decimal places)." "Indirect Order Flow" is defined as follows: "[F]or a given member in a given month, the number of shares of liquidity provided in orders entered into the Nasdaq Market Center at the member's direction by another member with minimal substantive intermediation by such other member and executed in the Nasdaq Market Center during such month."

Market Center during such time period; provided that: (i) no order shall be counted as executed more than once; and (ii) no Pegged Orders, odd-lot orders, or MIOC or SIOC orders shall be included in the tabulation.”⁶ Thus, the definition requires a ratio between the total number of orders that post to the NASDAQ book and the number of such orders that actually execute that is low, a characteristic that NASDAQ believes to be reflective of retail and institutional order flow.

(3) The shares of liquidity provided through ISP-designated ports during the month are equal to or greater than 0.2% of Consolidated Volume during the month, reflecting the ISP’s goals of encouraging higher levels of liquidity provision.

(4) At least 80% of the liquidity provided by the member during the month is provided through ISP-designated ports. This requirement is designed to mitigate “gaming” of the program by firms that do not generally represent retail or institutional order flow but that nevertheless are able to channel a portion of their orders that they intend to execute through ISP-designated ports and thereby receive a credit with respect to those orders.

(5) The member has an average daily volume during the month of more than 100,000 contracts of liquidity provided through one or more of its Nasdaq Options Market MPIDs, provided that such liquidity is provided through Public Customer Orders, as defined in Chapter I, Section 1 of the Nasdaq Options Market rules.

⁶ These terms have the meanings assigned to them in Rule 4751. MIOC and SIOC orders are forms of “immediate or cancel” orders and therefore cannot be liquidity-providing orders.

(6) The ratio between shares of liquidity provided through ISP-designated ports and total shares accessed, provided or routed through ISP-designated ports during the month is at least 0.70.

As noted above, no member has met these criteria in the recent past. Moreover, a member may qualify for an ISP credit at identical rates if it meets the following criteria:

(1) The member's Participation Ratio for the month exceeds its Baseline Participation Ratio by at least 0.43% (slightly higher than under the set of criteria this is being eliminated).

(2) The member's "ISP Execution Ratio" for the month must be less than 10 (identical to the set of criteria that is being eliminated).

(3) The shares of liquidity provided through ISP-designated ports during the month are equal to or greater than 0.2% of Consolidated Volume during the month (identical to the set of criteria that is being eliminated).

(4) At least 40% of the liquidity provided by the member during the month is provided through ISP-designated ports (lower than under the set of criteria that is being eliminated). This set of criteria contains no requirement with respect to usage of the Nasdaq Options Market or the ratio of shares of liquidity provided through ISP-designated ports to total shares entered through ISP-designated ports.

Second, NASDAQ is eliminating a special reduced fee that has applied to QDRK and QCST orders when they access liquidity on NASDAQ.⁷ Currently, the fee for such

⁷ QDRK is a routing option under which orders check the Nasdaq Market Center for available shares and simultaneously route the remaining shares to destinations on the applicable routing table that are not posting Protected Quotations within the meaning of Regulation NMS. If shares remain un-executed after routing, they are posted on the book. Once on the book, if the order is subsequently locked or

orders is \$0.0029 per share executed, but NASDAQ is increasing the fee to \$0.0030 per share executed. As a result, the fee charged will be identical to the fee charged to all other liquidity-accessing orders (other than orders entered by a member qualifying for a volume-based discount that will remain on the fee schedule). The reduced fee had been adopted as a promotional discount when QDRK and QCST were first introduced in early 2013. With usage of the routing strategies now established, NASDAQ has concluded that the continuation of the promotional discount is no longer warranted.

b. Statutory Basis

NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,⁸ in general, and with Sections 6(b)(4) and 6(b)(5) of the Act,⁹ 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.

The change with respect to the ISP are reasonable because no member currently qualifies or has recently qualified for the set of criteria that is being eliminated;

crossed by another market center, NASDAQ will not route the order to the locking or crossing market center. QCST is a routing option under which orders check the Nasdaq Market Center for available shares and simultaneously route the remaining shares to destinations on the applicable routing table that are not posting Protected Quotations within the meaning of Regulation NMS and to certain, but not all, exchanges. If shares remain un-executed after routing, they are posted on the book. Once on the book, if the order is subsequently locked or crossed by another market center, NASDAQ will not route the order to the locking or crossing market center.

⁸ 15 U.S.C. 78f.

⁹ 15 U.S.C. 78f(b)(4) and (5).

accordingly, the change will have no impact on credits received by members. The change is consistent with an equitable allocation of fees and is not unfairly discriminatory because members may continue to qualify for the ISP under other sets of criteria, including a set of criteria that results in identical credits to the set of criteria that is being eliminated and that features requirements that are likely to be easier to achieve than those contained in the set that is being eliminated.

The change with respect to QDRK and QCST is reasonable because the resulting fee of \$0.0030 per share executed is identical to the fee charged with respect to most other orders that access liquidity at NASDAQ. Such fee is consistent with the requirements of Rule 610 under Regulation NMS¹⁰ with respect to the permissible level of access fees. The change is consistent with an equitable allocation of fees and is not unfairly discriminatory because it will make the fees charged for accessing liquidity through QCST and QDRK orders consistent with the fees charged for other orders.

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. NASDAQ notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, NASDAQ must continually adjust its fees and rebates to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to

¹⁰ 17 CFR 242.610.

exchanges. Because competitors are free to modify their own fees and rebates in response, and because market participants may readily adjust their order routing practices, NASDAQ believes that the degree to which fee or rebate changes in this market may impose any burden on competition is extremely limited. In this instance, the change to the ISP is unlikely to have any effect on competition, since no member currently qualifies for the set of criteria that is being eliminated. However, the continuation of the ISP reflects the ongoing importance of incentive programs in the current competitive environment as mechanisms for ensuring that fees and credits are set at levels that attracts order flow. Similarly, the change with respect to fees for QDRK and QCST does not have the potential to impair competition since the routing services offered by NASDAQ are optional and are replicated by routing services offered by others; thus, members are free to use other means of routing orders if they believe that the fees associated with NASDAQ's services are too high. Thus, because members and competing order execution venues remain free to adopt competitive responses, the changes do not impair the ability of markets or market participants 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,¹¹ 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.

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

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

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

5. Text of the proposed rule change.

¹¹ 15 U.S.C. 78s(b)(3)(A)(ii).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-NASDAQ-2013-166)

January __, 2014

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Make Modifications to Fees and Credits under Rules 7014 and 7018

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 30, 2013, 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, 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

NASDAQ is proposing to make changes to its schedule of fees and credits applicable to execution of orders under Rule 7018, and its Investor Support Program (“ISP”) of credits under Rule 7014. NASDAQ proposes to implement the proposed rule change on January 2, 2014. The text of the proposed rule change is available on the Exchange’s Website at <http://nasdaq.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, NASDAQ 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 those 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 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 make two pricing changes, effective January 2, 2014. First, NASDAQ is modifying the ISP by eliminating one of the set of criteria under which a member may qualify for a \$0.0001 credit under the program; the change reflects the fact that members have not, in the recent past, qualified for the program under the set of criteria that is being eliminated, and therefore the change will not affect ISP participants in any respect. The ISP enables NASDAQ members to earn a monthly fee credit for providing additional liquidity to NASDAQ and increasing the NASDAQ-traded volume of what are generally considered to be retail and institutional investor orders in exchange-traded securities ("targeted liquidity"). Participants in the ISP are required to designate specific NASDAQ order entry ports for use under the ISP and to meet specified criteria focused on market participation, liquidity provision, and high rates of order execution. Currently, a member that participates in the ISP receives a credit of \$0.00005, \$0.0001, or \$0.0002 per share with respect to the number of shares of displayed liquidity

provided by the member that execute at \$1 or more per share.³ The precise credit rate is determined by factors designed to measure the degree of the member's participation in the Nasdaq Market Center and the percentage of orders that it enters that execute – its “ISP Execution Ratio” – which is seen as indicative of retail or institutional participation.

Under the set of criteria that is being eliminated, a member might qualify for a credit of \$0.0002 per share with respect to shares of displayed liquidity executed at a price of \$1 or more and entered through ISP-designated ports, and \$0.00005 per share with respect to all other shares of displayed liquidity executed at a price of \$1 or more, if the following conditions were met:

(1) The member's Participation Ratio⁴ for the month exceeds its Baseline Participation Ratio⁵ by at least 0.30%. The requirement reflects the expectation that in

³ A participant in the ISP must designate specific order-entry ports for use in tabulating certain requirements under the program.

⁴ “Participation Ratio” is defined as follows: “[F]or a given member in a given month, the ratio of (A) the number of shares of liquidity provided in orders entered by the member through any of its Nasdaq ports and executed in the Nasdaq Market Center during such month to (B) the Consolidated Volume.” “Consolidated Volume” is defined as follows: “[T]he total consolidated volume reported to all consolidated transaction reporting plans by all exchanges and trade reporting facilities during a month, excluding executed orders with a size of less than one round lot.”

⁵ “Baseline Participation Ratio” is defined as follows: “[W]ith respect to a member, the lower of such member's Participation Ratio for the month of August 2010 or the month of August 2011, provided that in calculating such Participation Ratios, the numerator shall be increased by the amount (if any) of the member's Indirect Order Flow for such month, and provided further that if the result is zero for either month, the Baseline Participation Ratio shall be deemed to be 0.485% (when rounded to three decimal places).” “Indirect Order Flow” is defined as follows: “[F]or a given member in a given month, the number of shares of liquidity provided in orders entered into the Nasdaq Market Center at the member's direction by another member with minimal substantive intermediation by such other member and executed in the Nasdaq Market Center during such month.”

order to earn a higher rebate under the program, a member participating in the program must increase its participation in NASDAQ as compared with an historical baseline.

(2) The member's "ISP Execution Ratio" for the month must be less than 10. The ISP Execution Ratio is defined as "the ratio of (A) the total number of liquidity-providing orders entered by a member through its ISP-designated ports during the specified time period to (B) the number of liquidity-providing orders entered by such member through its ISP-designated ports and executed (in full or partially) in the Nasdaq Market Center during such time period; provided that: (i) no order shall be counted as executed more than once; and (ii) no Pegged Orders, odd-lot orders, or MIOC or SIOC orders shall be included in the tabulation."⁶ Thus, the definition requires a ratio between the total number of orders that post to the NASDAQ book and the number of such orders that actually execute that is low, a characteristic that NASDAQ believes to be reflective of retail and institutional order flow.

(3) The shares of liquidity provided through ISP-designated ports during the month are equal to or greater than 0.2% of Consolidated Volume during the month, reflecting the ISP's goals of encouraging higher levels of liquidity provision.

(4) At least 80% of the liquidity provided by the member during the month is provided through ISP-designated ports. This requirement is designed to mitigate "gaming" of the program by firms that do not generally represent retail or institutional order flow but that nevertheless are able to channel a portion of their orders that they

⁶ These terms have the meanings assigned to them in Rule 4751. MIOC and SIOC orders are forms of "immediate or cancel" orders and therefore cannot be liquidity-providing orders.

intend to execute through ISP-designated ports and thereby receive a credit with respect to those orders.

(5) The member has an average daily volume during the month of more than 100,000 contracts of liquidity provided through one or more of its Nasdaq Options Market MPIDs, provided that such liquidity is provided through Public Customer Orders, as defined in Chapter I, Section 1 of the Nasdaq Options Market rules.

(6) The ratio between shares of liquidity provided through ISP-designated ports and total shares accessed, provided or routed through ISP-designated ports during the month is at least 0.70.

As noted above, no member has met these criteria in the recent past. Moreover, a member may qualify for an ISP credit at identical rates if it meets the following criteria:

(1) The member's Participation Ratio for the month exceeds its Baseline Participation Ratio by at least 0.43% (slightly higher than under the set of criteria this is being eliminated).

(2) The member's "ISP Execution Ratio" for the month must be less than 10 (identical to the set of criteria that is being eliminated).

(3) The shares of liquidity provided through ISP-designated ports during the month are equal to or greater than 0.2% of Consolidated Volume during the month (identical to the set of criteria that is being eliminated).

(4) At least 40% of the liquidity provided by the member during the month is provided through ISP-designated ports (lower than under the set of criteria that is being eliminated). This set of criteria contains no requirement with respect to usage of the

Nasdaq Options Market or the ratio of shares of liquidity provided through ISP-designated ports to total shares entered through ISP-designated ports.

Second, NASDAQ is eliminating a special reduced fee that has applied to QDRK and QCST orders when they access liquidity on NASDAQ.⁷ Currently, the fee for such orders is \$0.0029 per share executed, but NASDAQ is increasing the fee to \$0.0030 per share executed. As a result, the fee charged will be identical to the fee charged to all other liquidity-accessing orders (other than orders entered by a member qualifying for a volume-based discount that will remain on the fee schedule). The reduced fee had been adopted as a promotional discount when QDRK and QCST were first introduced in early 2013. With usage of the routing strategies now established, NASDAQ has concluded that the continuation of the promotional discount is no longer warranted.

2. Statutory Basis

NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,⁸ in general, and with Sections 6(b)(4) and 6(b)(5) of the Act,⁹ in

⁷ QDRK is a routing option under which orders check the Nasdaq Market Center for available shares and simultaneously route the remaining shares to destinations on the applicable routing table that are not posting Protected Quotations within the meaning of Regulation NMS. If shares remain un-executed after routing, they are posted on the book. Once on the book, if the order is subsequently locked or crossed by another market center, NASDAQ will not route the order to the locking or crossing market center. QCST is a routing option under which orders check the Nasdaq Market Center for available shares and simultaneously route the remaining shares to destinations on the applicable routing table that are not posting Protected Quotations within the meaning of Regulation NMS and to certain, but not all, exchanges. If shares remain un-executed after routing, they are posted on the book. Once on the book, if the order is subsequently locked or crossed by another market center, NASDAQ will not route the order to the locking or crossing market center.

⁸ 15 U.S.C. 78f.

⁹ 15 U.S.C. 78f(b)(4) and (5).

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

The change with respect to the ISP are reasonable because no member currently qualifies or has recently qualified for the set of criteria that is being eliminated; accordingly, the change will have no impact on credits received by members. The change is consistent with an equitable allocation of fees and is not unfairly discriminatory because members may continue to qualify for the ISP under other sets of criteria, including a set of criteria that results in identical credits to the set of criteria that is being eliminated and that features requirements that are likely to be easier to achieve than those contained in the set that is being eliminated.

The change with respect to QDRK and QCST is reasonable because the resulting fee of \$0.0030 per share executed is identical to the fee charged with respect to most other orders that access liquidity at NASDAQ. Such fee is consistent with the requirements of Rule 610 under Regulation NMS¹⁰ with respect to the permissible level of access fees. The change is consistent with an equitable allocation of fees and is not unfairly discriminatory because it will make the fees charged for accessing liquidity through QCST and QDRK consistent with the fees charged for other orders.

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

¹⁰ 17 CFR 242.610.

Act, as amended. NASDAQ notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, NASDAQ must continually adjust its fees and rebates to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees and rebates in response, and because market participants may readily adjust their order routing practices, NASDAQ believes that the degree to which fee or rebate changes in this market may impose any burden on competition is extremely limited. In this instance, the change to the ISP is unlikely to have any effect on competition, since no member currently qualifies for the set of criteria that is being eliminated. However, the continuation of the ISP reflects the ongoing importance of incentive programs in the current competitive environment as mechanisms for ensuring that fees and credits are set at levels that attracts order flow. Similarly, the change with respect to fees for QDRK and QCST does not have the potential to impair competition since the routing services offered by NASDAQ are optional and are replicated by routing services offered by others; thus, members are free to use other means of routing orders if they believe that the fees associated with NASDAQ's services are too high. Thus, because members and competing order execution venues remain free to adopt competitive responses, the changes do not impair the ability of markets or market participants 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 change has become effective pursuant to Section 19(b)(3)(A) of the Act¹¹ and paragraph (f) of Rule 19b-4¹² 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.

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-2013-166 on the subject line.

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f).

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-2013-166. 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-2013-166, 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.¹³

Kevin M. O'Neill
Deputy Secretary

¹³ 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.

7014. Market Quality Incentive Programs**Investor Support Program**

(a) – (b) No change.

(c) (1) No change.

(2) A member shall be entitled to receive an ISP credit at the \$0.0001 rate with respect to all shares of displayed liquidity that are executed at a price of \$1 or more in the Nasdaq Market Center and that are entered through ISP-designated ports, and at the \$0.00005 rate with respect to all other shares of displayed liquidity that are executed at a price of \$1 or more in the Nasdaq Market Center during a given month if:

(A) – (D) No change.

[(3) Alternatively, a member shall be entitled to receive an ISP credit at the \$0.0001 rate with respect to all shares of displayed liquidity that are executed at a price of \$1 or more in the Nasdaq Market Center and that are entered through ISP-designated ports, and at the \$0.00005 rate with respect to all other shares of displayed liquidity that are executed at a price of \$1 or more in the Nasdaq Market Center during a given month if:

(A) the member's ISP Execution Ratio for the month in question is less than 10;

(B) the shares of liquidity provided by the member through ISP-designated ports during the month are equal to or greater than 0.2% of the Consolidated Volume during the month;

(C) at least 80% of the liquidity provided by the member during the month is provided through ISP-designated ports;

(D) the member exceeds its Baseline Participation Ratio by at least 0.30%;

(E) the member has an average daily volume during the month of more than 100,000 contracts of liquidity provided through one or more of its Nasdaq Options Market MPIDs, provided that such liquidity is provided through Public Customer Orders, as defined in Chapter I, Section 1 of the Nasdaq Options Market Rules; and

(F) the ratio between shares of liquidity provided through ISP-designated ports and total shares accessed, provided, or routed through ISP-designated ports during the month is at least 0.70.]

[(4)] (3) A member shall be entitled to receive an ISP credit at the \$0.0002 rate with respect to all shares of displayed liquidity that are executed at a price of \$1 or more in the Nasdaq Market Center and that are entered through ISP-designated ports, and at the \$0.00005 rate with respect to all other shares of displayed liquidity that are executed at a price of \$1 or more in the Nasdaq Market Center during a given month if:

(A) – (D) No change.

Qualified Market Maker ("QMM") Program

(d) – (e) No change.

NBBO Setter Incentive Program

(f) – (g) No change.

Definitions and Certifications

(h) – (i) No change.

* * * * *

7018. Nasdaq Market Center Order Execution and Routing

(a) The following charges shall apply to the use of the order execution and routing services of the Nasdaq Market Center by members for all securities priced at \$1 or more that it trades. For purposes of determining a member's shares of liquidity routed, TFTY, MOPB, MOPP, SAVE, SOLV, CART, QDRK, QCST and directed orders are not counted. As used in this rule, the term "Consolidated Volume" shall mean the total consolidated volume reported to all consolidated transaction reporting plans by all exchanges and trade reporting facilities during a month, excluding executed orders with a size of less than one round lot. For purposes of calculating Consolidated Volume and the extent of a member's trading activity, expressed as a percentage of or ratio to Consolidated Volume, the date of the annual reconstitution of the Russell Investments Indexes shall be excluded from both total Consolidated Volume and the member's trading activity.

(1) Fees for Execution and Routing of Orders in Nasdaq-Listed Securities

Charge to enter orders that execute in the Nasdaq Market Center:

member with Market-on-Close and/or Limit-on-Close orders executed in the Nasdaq Closing Cross, entered through a single Nasdaq Market Center market participant identifier ("MPID"), that represent more than 0.06% of Consolidated Volume during the month: \$0.0029 per share executed

[QDRK and QCST orders that execute in the Nasdaq Market Center:] [\$0.0029 per share executed]

all other orders that execute in the Nasdaq Market Center: \$0.0030 per share executed

Charge to member entering STGY, SCAN, SKNY, or SKIP order that executes in a venue other than the Nasdaq Market Center and charge to member entering a LIST order that executes in a venue other than the Nasdaq Market Center, but not in an opening, re-opening, or closing process: \$0.0030 per share executed

Charge or credit to member entering TFTY, MOPB, MOPP, SAVE, SOLV, CART, QDRK, QCST or directed order that executes in a venue other than the Nasdaq Market Center: Charge of \$0.0035 per share executed for directed orders
 Charge of \$0.0030 per share executed for TFTY orders that execute at NASDAQ OMX PSX
 For CART orders that execute at NASDAQ OMX PSX, Nasdaq will pass through all fees assessed and rebates offered by NASDAQ OMX PSX
 No charge or credit for TFTY, SOLV, CART, or SAVE orders that execute at NASDAQ OMX BX
 Charge of \$0.0030 per share

executed for SAVE or SOLV orders that execute at venues other than NASDAQ OMX BX
 Charge of \$0.0035 per share executed for a MOPB or MOPP order
 Charge of \$0.0005 per share executed for TFTY orders that execute on venues other than NASDAQ OMX BX or NASDAQ OMX PSX
 Charge of \$0.0005 per share executed for QCST and QDRK orders, except a credit of \$.0011 per share for QCST orders that execute on NASDAQ OMX BX

Credit to member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity:

<p>member with (i) shares of liquidity provided in all securities through one of its Nasdaq Market Center MPIDs that represent 1.60% or more of Consolidated Volume during the month, or (ii) shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent 1.60% or more of Consolidated Volume during the month, and shares of liquidity provided in all securities through one of its Nasdaq Market Center MPIDs that represent 0.75% or more of Consolidated Volume during the month:</p>	<p>\$0.00305 per share executed</p>
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<p>member with (i) shares of liquidity provided in all securities through one of its Nasdaq Market Center MPIDs that represent 1.20% or more of Consolidated</p>	<p>\$0.0030 per share executed</p>
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Volume during the month, or (ii) shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent 1.20% or more of Consolidated Volume during the month, and shares of liquidity provided in all securities through one of its Nasdaq Market Center MPIDs that represent 0.75% or more of Consolidated Volume during the month:

member with shares of liquidity provided in all securities through one of its Nasdaq Market Center MPIDs that represent more than 0.90% of Consolidated Volume during the month: \$0.00295 per share executed

member (i) that is a registered market maker through one of its Nasdaq Market Center MPIDs in at least 7,000 securities, (ii) with shares of liquidity provided in all securities through one of its Nasdaq Market Center MPIDs that represent more than 0.75% of Consolidated Volume during the month, and (iii) with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.90% of Consolidated Volume during the month: \$0.00295 per share executed

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.45% of Consolidated Volume during the month: \$0.0029 per share executed

member with shares of liquidity provided in all securities through one or \$0.0027 per share executed

more of its Nasdaq Market Center MPIDs that represent more than 0.30% of Consolidated Volume during the month:

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.30% of Consolidated Volume during the month, including shares of liquidity provided with respect to securities that are listed on exchanges other than NASDAQ or NYSE that represent more than 0.10% of Consolidated Volume: \$0.0029 per share executed

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.10% of Consolidated Volume during the month: \$0.0025 per share executed

member with shares of liquidity accessed in all securities through one or more of its Nasdaq Market Center MPIDs representing more than 0.65% of Consolidated Volume during the month; provided that the member also provides a daily average of at least 2 million shares of liquidity in all securities through one or more of its Nasdaq Market Center MPIDs during the month: \$0.0029 per share executed

member with shares of liquidity accessed in all securities through one or more of its Nasdaq Market Center MPIDs representing more than 0.45% of Consolidated Volume during the month; provided that the member also provides a

daily average of at least 2 million shares of liquidity in all securities through one or more of its Nasdaq Market Center MPIDs during the month:

member (i) with shares of liquidity provided in all securities during the month representing more than 0.10% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) that adds Total NOM Market Maker Volume, as defined in Chapter XV, Section 2 of the Nasdaq Options Market rules, of 80,000 or more contracts per day in a month executed through one or more of its Nasdaq Options Market MPIDs: \$0.0029 per share executed

member with (i) shares of liquidity provided in all securities during the month representing more than 0.15% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) Total Volume, as defined in Chapter XV, Section 2 of the Nasdaq Options Market rules, of 100,000 or more contracts per day in a month executed through one or more of its Nasdaq Option Market MPIDs: \$0.0029 per share executed

member (i) with shares of liquidity provided in all securities during the month representing at least 0.40% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) that qualifies for the Nasdaq Options Market Customer and Professional Rebate to Add Liquidity in Penny Pilot Options Tier 8 under Chapter XV, Section 2 of \$0.0030 per share executed

the Nasdaq Options Market rules during the month through one or more of its Nasdaq Options Market MPIDs:

<p>member with shares of liquidity provided in all securities during the month representing less than 0.10% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs; provided that (i) the member also provides a daily average of at least 250,000 shares of liquidity provided in securities listed on an exchange other than NASDAQ, or (ii) the member routes a daily average volume of at least 10,000 shares during the month via the QDRK routing strategy:</p>	<p>\$0.0020 per share executed</p>
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<p>Credit to other members:</p>	<p>\$0.0015 per share executed</p>
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<p>Credit for non-displayed orders (other than Supplemental Orders) that provide liquidity:</p>	<p>\$0.0017 per share executed for midpoint orders if the member provides an average daily volume of 5 million or more shares through midpoint orders during the month</p> <p>\$0.0014 per share executed for midpoint orders if the member provides an average daily volume of less than 5 million shares through midpoint orders during the month</p> <p>\$0.0010 per share executed for other non-displayed orders if the member provides an average daily volume of 1 million or more shares per day through midpoint orders or other non-displayed orders during the month</p> <p>\$0.0005 per share executed for</p>
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other non-displayed orders

Credit for Supplemental Orders: \$0.0018 per share executed for Supplemental Orders entered through a Nasdaq Market Center MPID through which the member provides an average daily volume during the month of more than 1 million shares of liquidity via Supplemental Orders
\$0.0015 per share executed for other Supplemental Orders

Credit for displayed Designated Retail Orders:* \$0.0033 per share executed

LIST order that executes in Nasdaq's closing process: Applicable charges as provided in Rule 7018(d)

LIST order that executes in Nasdaq's opening process: Applicable charges as provided in Rule 7018(e)

LIST order that executes in Nasdaq's halt cross process: Applicable charges as provided in Rule 7018(f)

(2) Fees for Execution and Routing of Securities Listed on NYSE

Charge to enter orders that execute in the Nasdaq Market Center:

member with Market-on-Close and/or Limit-on-Close orders executed in the Nasdaq Closing Cross, entered through a single \$0.0029 per share executed

Nasdaq Market Center MPID, that represent more than 0.06% of Consolidated Volume during the month:

[QDRK and QCST orders that execute in the Nasdaq Market Center:]	[\$0.0029 per share executed]
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all other orders that execute in the Nasdaq Market Center:	\$0.0030 per share executed
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Charge or credit to member entering DOTI, STGY, SCAN, SKNY, or SKIP order that executes in a venue other than the Nasdaq Market Center, and charge to member entering a LIST order that executes in a venue other than the Nasdaq Market Center, but not in an opening, closing, or reopening process:	\$0.0004 per share executed credit for DOTI orders that execute in NASDAQ OMX BX \$0.0015 per share executed credit for orders that add liquidity at the NYSE after routing \$0.0030 fee per share executed for other orders
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Charge or credit to member entering TFTY, MOPB, MOPP, SAVE, SOLV, CART, QCST, QDRK or directed order that executes in a venue other than the Nasdaq Market Center:	Charge of \$0.0035 per share executed for directed orders For CART orders that executed at NASDAQ OMX PSX, Nasdaq will pass through all fees assessed and rebates offered by NASDAQ OMX PSX No charge or credit for TFTY, SOLV, CART, or SAVE orders that execute at NASDAQ OMX BX Charge of \$0.0035 per share executed for a MOPB or MOPP order For TFTY orders that execute: (i) at venues other than NYSE, NASDAQ OMX BX or NASDAQ OMX PSX, charge of \$0.0005 per share executed; or (ii) at the NYSE or
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NASDAQ OMX PSX, charge of
 \$0.0030 per share executed
 For SAVE or SOLV orders that
 execute: (i) at venues other than
 NASDAQ OMX BX, charge of
 \$0.0030 per share executed
 Charge of \$.0005 per share executed
 for QCST and QDRK orders, except
 a credit of \$.0011 per share for
 QCST orders that execute on
 NASDAQ OMX BX

Credit to member for displayed
 quotes/orders (other than
 Supplemental Orders or Designated
 Retail Orders) that provide liquidity:

member with (i) shares of liquidity \$0.00305 per share executed
 provided in all securities through one
 of its Nasdaq Market Center MPIDs
 that represent 1.60% or more of
 Consolidated Volume during the
 month, or (ii) shares of liquidity
 provided in all securities through one
 or more of its Nasdaq Market Center
 MPIDs that represent 1.60% or more
 of Consolidated Volume during the
 month, and shares of liquidity
 provided in all securities through one
 of its Nasdaq Market Center MPIDs
 that represent 0.75% or more of
 Consolidated Volume during the
 month:

member with (i) shares of liquidity \$0.0030 per share executed
 provided in all securities through one
 of its Nasdaq Market Center MPIDs
 that represent 1.20% or more of
 Consolidated Volume during the
 month, or (ii) shares of liquidity
 provided in all securities through one

or more of its Nasdaq Market Center MPIDs that represent 1.20% or more of Consolidated Volume during the month, and shares of liquidity provided in all securities through one of its Nasdaq Market Center MPIDs that represent 0.75% or more of Consolidated Volume during the month:

member with shares of liquidity provided in all securities through one of its Nasdaq Market Center MPIDs that represent more than 0.90% of Consolidated Volume during the month: \$0.00295 per share executed

member (i) that is a registered market maker through one of its Nasdaq Market Center MPIDs in at least 7,000 securities, (ii) with shares of liquidity provided in all securities through one of its Nasdaq Market Center MPIDs that represent more than 0.75% of Consolidated Volume during the month, and (iii) with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.90% of Consolidated Volume during the month: \$0.00295 per share executed

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.45% of Consolidated Volume during the month: \$0.0029 per share executed

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.30% of Consolidated Volume during the month: \$0.0027 per share executed

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.30% of Consolidated Volume during the month, including shares of liquidity provided with respect to securities that are listed on exchanges other than NASDAQ or NYSE that represent more than 0.10% of Consolidated Volume: \$0.0029 per share executed

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.10% of Consolidated Volume during the month: \$0.0025 per share executed

member with shares of liquidity accessed in all securities through one or more of its Nasdaq Market Center MPIDs representing more than 0.65% of Consolidated Volume during the month; provided that the member also provides a daily average of at least 2 million shares of liquidity in all securities through one or more of its Nasdaq Market Center MPIDs during the month: \$0.0029 per share executed

member with shares of liquidity accessed in all securities through one: \$0.0025 per share executed

or more of its Nasdaq Market Center MPIDs representing more than 0.45% of Consolidated Volume during the month; provided that the member also provides a daily average of at least 2 million shares of liquidity in all securities through one or more of its Nasdaq Market Center MPIDs during the month:

member (i) with shares of liquidity provided in all securities during the month representing more than 0.10% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) that adds Total NOM Market Maker Volume, as defined in Chapter XV, Section 2 of the Nasdaq Options Market rules, of 80,000 or more contracts per day in a month executed through one or more of its Nasdaq Options Market MPIDs: \$0.0029 per share executed

member with (i) shares of liquidity provided in all securities during the month representing more than 0.15% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) Total Volume, as defined in Chapter XV, Section 2 of the Nasdaq Options Market rules, of 100,000 or more contracts per day in a month executed through one or more of its Nasdaq Options Market MPIDs: \$0.0029 per share executed

member (i) with shares of liquidity provided in all securities during the month representing at least 0.40% of Consolidated Volume during the \$0.0030 per share executed

month, through one or more of its Nasdaq Market Center MPIDs, and (ii) that qualifies for the Nasdaq Options Market Customer and Professional Rebate to Add Liquidity in Penny Pilot Options Tier 8 under Chapter XV, Section 2 of the Nasdaq Options Market rules during the month through one or more of its Nasdaq Options Market MPIDs:

Credit to other members:	\$0.0020 per share executed
Credit for non-displayed orders (other than Supplemental Orders) that provide liquidity:	<p>\$0.0017 per share executed for midpoint orders if the member provides an average daily volume of 5 million or more shares through midpoint orders during the month</p> <p>\$0.0014 per share executed for midpoint orders if the member provides an average daily volume of less than 5 million shares through midpoint orders during the month</p> <p>\$0.0010 per share executed for other non-displayed orders if the member provides an average daily volume of 1 million or more shares per day through midpoint orders or other non-displayed orders during the month</p> <p>\$0.0005 per share executed for other non-displayed orders</p>
Credit for Supplemental Orders:	<p>\$0.0018 per share executed for Supplemental Orders entered through a Nasdaq Market Center MPID through which the member provides an average daily volume during the month of more than 1 million shares of liquidity via Supplemental Orders</p> <p>\$0.0015 per share executed for other</p>

Supplemental Orders

Credit for displayed Designated Retail Orders:*	\$0.0033 per share executed
Order that is routed to NYSE and then routed to another venue for execution:	NASDAQ will pass-through any routing fees charged to NASDAQ by NYSE
DOT or LIST Order that executes in the NYSE closing process:	\$0.00095 per share executed
DOT or LIST Order that executes in the NYSE opening process or reopening process:	\$0.0005 per share executed, but not to exceed \$15,000 per month per member
Per order charge for round lot or mixed lot DOTI orders:	\$0.01 fee per DOTI Order when during a month: (i) a market participant sends an average of more than 10,000 DOTI Orders per day through one or more of its MPIDs; and (ii) the ratio of DOTI Orders to executions exceeds 300 to 1. The fee will apply to each DOTI Order that exceeds the 300 to 1 ratio. In calculating daily average DOTI Orders, Nasdaq will exclude the day with the highest ratio of DOTI Orders to executions.

(3) Fees for Execution and Routing of Orders in Securities Listed on Exchanges other than Nasdaq and NYSE ("Tape B Securities")

Charge to member entering order that executes in the Nasdaq Market

Center:

member with Market-on-Close and/or Limit-on-Close orders executed in the Nasdaq Closing Cross, entered through a single Nasdaq Market Center MPID, that represent more than 0.06% of Consolidated Volume during the month: \$0.0029 per share executed

[QDRK and QCST orders that execute in the Nasdaq Market Center:] [\$0.0029 per share executed]

all other orders that execute in the Nasdaq Market Center: \$0.0030 per share executed

Charge or credit to member entering DOTI, STGY, SCAN, SKNY, or SKIP order that executes in a venue other than the Nasdaq Market Center, and charge to member entering a LIST order that executes in a venue other than the Nasdaq Market Center, but not in an opening, closing or re-opening process: \$0.0004 per share executed credit for DOTI orders that execute in NASDAQ OMX BX
For other orders, charge of \$0.0030 per share executed

Charge or credit to member entering TFTY, MOPB, MOPP, SAVE, SOLV, CART, QDRK, QCST or directed order that executes in a venue other than the Nasdaq Market Center: Charge of \$0.0035 per share executed for directed orders
Charge of \$0.0030 per share executed for TFYY orders that execute at NASDAQ OMX PSX
For CART orders that execute at NASDAQ OMX PSX, Nasdaq will pass through all fees assessed and rebates offered by NASDAQ OMX PSX

No charge or credit for TFTY, SOLV, CART, or SAVE orders that execute at NASDAQ OMX BX
 Charge of \$0.0030 per share executed for SAVE or SOLV orders that execute at venues other than NASDAQ OMX BX
 Charge of \$0.0035 per share executed for a MOPB or MOPP order
 Charge of \$0.0005 per share executed for TFTY orders that execute in venues other than NASDAQ OMX BX or NASDAQ OMX PSX
 Charge of \$0.0005 per share executed for QCST and QDRK, except a credit of \$.0011 per share for QCST orders that execute on NASDAQ OMX BX

Credit to member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity:

<p>member with (i) shares of liquidity provided in all securities through one of its Nasdaq Market Center MPIDs that represent 1.60% or more of Consolidated Volume during the month, or (ii) shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent 1.60% or more of Consolidated Volume during the month, and shares of liquidity provided in all securities through one of its Nasdaq Market Center MPIDs that represent 0.75% or more of Consolidated Volume during the month:</p>	<p>\$0.00305 per share executed</p>
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member with (i) shares of liquidity provided in all securities through one of its Nasdaq Market Center MPIDs that represent 1.20% or more of Consolidated Volume during the month, or (ii) shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent 1.20% or more of Consolidated Volume during the month, and shares of liquidity provided in all securities through one of its Nasdaq Market Center MPIDs that represent 0.75% or more of Consolidated Volume during the month: \$0.0030 per share executed

member with shares of liquidity provided in all securities through one of its Nasdaq Market Center MPIDs that represent more than 0.90% of Consolidated Volume during the month: \$0.00295 per share executed

member (i) that is a registered market maker through one of its Nasdaq Market Center MPIDs in at least 7,000 securities, (ii) with shares of liquidity provided in all securities through one of its Nasdaq Market Center MPIDs that represent more than 0.75% of Consolidated Volume during the month, and (iii) with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.90% of Consolidated Volume during the month: \$0.00295 per share executed

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.45% of Consolidated Volume during the month: \$0.0029 per share executed

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.30% of Consolidated Volume during the month: \$0.0027 per share executed

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.30% of Consolidated Volume during the month, including shares of liquidity provided with respect to securities that are listed on exchanges other than NASDAQ or NYSE that represent more than 0.10% of Consolidated Volume: \$0.0029 per share executed

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.10% of Consolidated Volume during the month: \$0.0025 per share executed

member with shares of liquidity accessed in all securities through one or more of its Nasdaq Market Center MPIDs representing more than 0.65% of Consolidated Volume during the month; provided that the member also provides a daily average \$0.0029 per share executed

of at least 2 million shares of liquidity in all securities through one or more of its Nasdaq Market Center MPIDs during the month:

member with shares of liquidity accessed in all securities through one or more of its Nasdaq Market Center MPIDs representing more than 0.45% of Consolidated Volume during the month; provided that the member also provides a daily average of at least 2 million shares of liquidity in all securities through one or more of its Nasdaq Market Center MPIDs during the month: \$0.0025 per share executed

member (i) with shares of liquidity provided in all securities during the month representing more than 0.10% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) that adds Total NOM Market Maker Volume, as defined in Chapter XV, Section 2 of the Nasdaq Options Market rules, of 80,000 or more contracts per day in a month executed through one or more of its Nasdaq Options Market MPIDs: \$0.0029 per share executed

member with (i) shares of liquidity provided in all securities during the month representing more than 0.15% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) Total Volume, as defined in Chapter XV, Section 2 of the Nasdaq Options Market rules, of 100,000 or more contracts per day in a month \$0.0029 per share executed

executed through one or more of its Nasdaq Options Market MPIDs:

member (i) with shares of liquidity provided in all securities during the month representing at least 0.40% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) that qualifies for the Nasdaq Options Market Customer and Professional Rebate to Add Liquidity in Penny Pilot Options Tier 8 under Chapter XV, Section 2 of the Nasdaq Options Market rules during the month through one or more of its Nasdaq Options Market MPIDs: \$0.0030 per share executed

Credit to other members: \$0.0020 per share executed

Credit for non-displayed orders (other than Supplemental Orders) that provide liquidity: \$0.0017 per share executed for midpoint orders if the member provides an average daily volume of 5 million or more shares through midpoint orders during the month
\$0.0014 per share executed for midpoint orders if the member provides an average daily volume of less than 5 million shares through midpoint orders during the month
\$0.0010 per share executed for other non-displayed orders if the member provides an average daily volume of 1 million or more shares per day through midpoint orders or other non-displayed orders during the month
\$0.0005 per share executed for other non-displayed orders

Credit for Supplemental Orders:	0.0018 per share executed for Supplemental Orders entered through a Nasdaq Market Center MPID through which the member provides an average daily volume during the month of more than 1 million shares of liquidity via Supplemental Orders \$0.0015 per share executed for other Supplemental Orders
Credit for displayed Designated Retail Orders:*	\$0.0033 per share executed
Order that is routed to NYSEAmex or NYSEArca and then routed to another venue for execution:	NASDAQ will pass-through any routing fees charged to NASDAQ by NYSEAmex or NYSEArca, as applicable
LIST order that executes in an exchange's closing process:	\$0.001 per share executed in the NYSEArca closing process \$0.00095 per share executed in the NYSEAmex closing process
LIST order that executes in an exchange's opening process:	\$0.0005 per share executed in the NYSEArca opening process; provided, however, that total charges for all LIST orders that execute in the NYSEArca opening process shall not exceed \$10,000 per month \$0.0005 per share executed in the NYSEAmex opening process
LIST order that executes in an exchange's re-opening process:	\$0.001 per share executed in the NYSEArca re-opening process \$0.0005 per share executed in the NYSEAmex re-opening process

(b) – (m) No change.

* A "Designated Retail Order" is agency or riskless principal order that originates from a natural person and is submitted to Nasdaq by a member that designates it pursuant to this rule, 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. Members must submit a signed written attestation, in a form prescribed by Nasdaq, that they have implemented policies and procedures that are reasonably designed to ensure that every order designated by the member as a "Designated Retail Order" complies with these requirements. Orders may be designated on an order-by-order basis, or by designating all orders on a particular order entry port as Designated Retail Orders.