

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 30	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2015 - * 031	Amendment No. (req. for Amendments *)
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)(2)	<input type="checkbox"/> 19b-4(f)(5)
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934	
Section 806(e)(1) * <input type="checkbox"/>		Section 806(e)(2) * <input type="checkbox"/>	Section 3C(b)(2) * <input type="checkbox"/>	
Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>			
Description				
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).				
<input type="text" value="A proposal to amend Rule 4758 Order Routing."/>				
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="Jurij"/>	Last Name *	<input type="text" value="Trypupenko"/>	
Title *	<input type="text" value="Associate General Counsel"/>			
E-mail *	<input type="text" value="jurij.trypupenko@nasdaq.com"/>			
Telephone *	<input type="text" value="(301) 978-8132"/>	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="03/30/2015"/>	<input type="text" value="Executive Vice President and General Counsel"/>		
By	<input type="text" value="Edward S. Knight"/>	<input type="text" value="edward.knight@nasdaq.com"/>		
(Name *)				
NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.				

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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

Exhibit 1 - Notice of Proposed Rule Change *

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

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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

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Exhibit Sent As Paper Document

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

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

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

Exhibit 4 - Marked Copies

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

Exhibit 5 - Proposed Rule Text

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

Partial Amendment

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

1. Text of the Proposed Rule Change

(a) Pursuant to Section 19(b)(1) of 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 amend Rule 4758 (Order Routing) to a) explain the treatment of a DOT or DOTI order designated to participate in the closing only; b) explain the treatment of a LIST order designated to participate in the closing only; and c) explain the treatment of a LIST order in the after-hours market.³ The Exchange also proposes to make technical changes to further explain the language of the rule.

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 the Exchange pursuant to authority delegated by the Board of Directors of the Exchange (“Board”) on July 16, 2014. Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action by the Exchange is necessary for the filing of the rule change.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ For a description of market sessions and hours on the Exchange, see Rule 4120(b)(4). DOT, DOTI, and LIST orders are defined below.

Questions and comments on the proposed rule change may be directed to Jurij Trypupenko, Associate General Counsel, The NASDAQ OMX Group, Inc., at (301) 978-8132.

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

a. Purpose

The purpose of this proposed rule change is to amend subsection (a)(1)(A) of Rule 4758 to: a) explain the treatment of a DOT or DOTI order designated to participate in the closing only; b) explain the treatment of a LIST order designated to participate in the closing only; and c) explain the treatment of a LIST order in the after-hours market. The Exchange also proposes to make technical changes to further explain the language of the rule.

NASDAQ offers its members optional routing functionality that allows them to use NASDAQ's facilities to access liquidity available on other trading venues. The functionality includes a range of defined routing algorithms--known as strategies--that determine the destinations and pattern of routing. The particular pattern of routing to other venues associated with a particular strategy is referred to in Rule 4758 as the "System routing table". All routing is designed to be conducted in a manner consistent with the requirements of Regulation NMS.

NASDAQ currently offers a set of strategies designed to allow market participants to route orders to the primary market on which a security is listed. NASDAQ is proposing minor changes to these strategies to improve their functioning and make clear the language of the rule. As an example, NASDAQ currently offers the DOT strategy (which includes several variations) as a means of designating an order for routing to the New

York Stock Exchange ("NYSE") or NYSE MKT (formerly NYSE Amex) for participation in their respective opening or closing processes. DOT orders are routed directly to NYSE or NYSE MKT, as appropriate. After attempting to execute in the opening or closing process, if any shares remain unexecuted, DOT orders thereafter check the NASDAQ Market Center System for available shares and behave as SCAN or STGY orders, depending on the designation of the entering firm.⁴ DOTI and LIST strategies are discussed below.

The Proposal

First, NASDAQ is proposing to modify the language of subsection (a)(1)(A) of Rule 4758 to make it clear that a DOT order may be designated to participate in the opening only or in the closing only, with different outcomes. Currently, an order entered before the open (or close) that is designated as opening only (or closing only) will likely be cancelled by the destination market after the open (or close) in accordance with its terms and therefore will not return to NASDAQ, even if not executed in full. Similarly, if NASDAQ receives a DOT order after the security has opened (or closed) and the order has been designated to participate in the opening only (or closing only), the order will nevertheless be routed to NYSE or NYSE MKT (which would be expected to reject the

⁴ STGY is a routing option under which orders check the System for available shares and simultaneously route the remaining shares to destinations on the applicable System routing table. If shares remain un-executed after routing, they are posted on the NASDAQ book. Once the order is on the book, if the order is subsequently locked or crossed by another accessible market center, the System routes the order to the locking or crossing market center. SCAN behaves similarly, but once the order is on the NASDAQ book, the System will not route the order to a locking or crossing market center. Although both options are described in Rule 4758 as variations of the DOT strategy, NASDAQ's system specifications refer to the SCAN option as either "DOTA" or "DOTD" and refer to the STGY option as "DOTM."

order based on its designation as opening only or closing only).⁵ Specifically, the Exchange proposes in subsection (a)(1)(A)(i) of Rule 4758 to delete the option of a DOT order being designated to participate in the closing only at the proper time as described below, in which case a closing only order would be expected to be rejected by the destination market and would also be cancelled by NASDAQ if returned by the destination market. The Exchange proposes new language in subsection (a)(1)(A)(i) stating that if a DOT order entered in NYSE or NYSE MKT securities has been designated to participate in the closing only and is entered at 3:45 p.m. Eastern Time or later (or in the case of an early closing, is entered 15 minutes prior to the close or later), the order will be rejected.⁶ A DOT order entered in non-NYSE or non-NYSE MKT securities, however, will be treated as a SCAN or STGY order depending on the designation of the firm. The Exchange believes the proposed explanation of how DOT orders will be treated makes the rule clearer and easier to follow, and should serve to minimize any potential confusion regarding its application.⁷ The modifications make clear the processing logic for NYSE or NYSE MKT and non- NYSE or non-NYSE MKT

⁵ In the event that an opening or closing only order was returned to NASDAQ after the time of the open or close on the destination market, NASDAQ would cancel the order.

⁶ NYSE and NYSE MKT rules do not permit the entry of on close orders after 3:45 p.m. Eastern Time unless they are offsetting an imbalance. Since the Exchange is a pass through for these purposes and does not read imbalances, the System is set to reject at the 3:45 p.m. Eastern Time cut-off or later (or in the case of an early closing, to reject 15 minutes prior to the close or later), so that the Exchange is in synch with the rules of NYSE and NYSE MKT. As discussed, the Exchange adds language to ensure that the noted orders are rejected if there is an early market close. This is similar for DOT, DOTI, and LIST.

⁷ For additional explanation and clarity in subsection (a)(1)(A)(i), the Exchange proposes to add the phrase “if applicable” following “after attempting to execute in the opening or closing process.”

orders. The modifications also make clear the processing logic for NYSE or NYSE MKT DOT orders designated to participate in the closing only and entered at 3:45 p.m. Eastern Time or later (or in the case of an early closing, entered 15 minutes prior to the close or later), which would be rejected. Also, the modifications make clear the processing logic for a non-NYSE or NYSE MKT DOT order, which would continue to be treated as SCAN or STGY orders depending on the designation of the firm.

Second, NASDAQ is proposing similar changes to the DOTI routing strategy in subsection (a)(1)(A) of Rule 4758 to make it clear that a DOTI order may be designated to participate in the opening only but not in the closing only under certain circumstances. Currently, DOTI is a routing option for orders that the entering firm wishes to direct to the NYSE or NYSE MKT without them returning to the NASDAQ Market Center. DOTI orders check the System for available shares and then are sent to destinations on the System routing table before being sent to NYSE or NYSE MKT, as appropriate. Alternatively, the member entering the order may opt to have it check the System and then be sent directly to NYSE or NYSE MKT, without routing to destinations on the System routing table.⁸ DOTI orders do not return to the NASDAQ Market Center book after routing. Specifically, the Exchange proposes in subsection (a)(1)(A)(ii)a. of Rule 4758 to delete the current option of a DOTI order being designated to participate in the closing only at the proper time as described below, in which case a closing only order would be expected to be rejected by the destination market and would also be cancelled by NASDAQ if returned by the destination market. The Exchange proposes new language in subsection (a)(1)(A)(ii)a. stating that if a DOTI order entered in NYSE or NYSE MKT

⁸ This option is referred to in system specifications as "DOTZ".

securities has been designated to participate in the closing only and is entered at 3:45 p.m. Eastern Time or later (or in the case of an early closing, is entered 15 minutes prior to the close or later) it will be rejected.⁹ The Exchange believes the proposed explanation of how DOTI orders will be treated makes the rule clearer and easier to follow, and should serve to minimize any potential confusion regarding its application. As is the case with DOT, the modifications make clear the processing logic for NYSE or NYSE MKT DOTI orders designated to participate in the closing only and entered at 3:45 p.m. Eastern Time or later (or in the case of an early closing, entered 15 minutes prior to the close or later), which would be rejected.

Third, NASDAQ is proposing similar changes to the LIST routing strategy in subsection (a)(1)(A) of Rule 4758 to make it clear how a LIST order designated to participate in the closing only will be handled. Currently, LIST is a routing option designed to allow orders to participate in the opening and/or closing process of the primary listing market for a security, and to follow additional routing logic as described below. A LIST order received before the security has opened on its primary listing market will be routed to the primary listing market for participation in that market's opening process. After the security has opened on its primary listing market, unexecuted shares will be returned to the NASDAQ system; the order would be returned only to the extent that the order has not been designated opening only and has not been fully executed, rejected, or cancelled by the destination market. Thereafter, the order will check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table. Any remaining shares will be posted on the book. As with

⁹ See also supra note 6.

DOT and DOTI, if a LIST order is received by NASDAQ before the destination market is able to receive orders for its opening process, the order will be held until such time as the destination market can receive it. The Exchange specifically proposes new language in subsection (a)(1)(A)(x) to state that for NYSE and NYSE MKT securities, LIST orders that have been designated to participate in the closing only and are entered at the 3:45 p.m. Eastern Time cut-off or later (or in the case of an early closing, are entered 15 minutes prior to the close or later), will be rejected. This is the same as DOT and DOTI.

Currently, the provision in subsection (a)(1)(A)(x) governing a LIST order that has been designated to participate in the closing only and is entered after the security has closed states that the order will nevertheless be routed to the primary listing market. The Exchange proposes to add language stating “unless the primary market for the security is NYSE or NYSE MKT”.¹⁰ Accordingly, if a LIST order has been designated to participate in the closing only and is entered after the security has closed and the primary market for the security is other than NYSE or NYSE MKT, the order will nevertheless be routed to the primary listing market. Currently, subsection (a)(1)(A)(x) states that LIST Orders received after market close that have not been designated as closing only will check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table. The Exchange proposes to add language regarding such

¹⁰ Based on its designation as closing only, this type of eligible LIST order will nevertheless be routed to the primary listing market; based on its designation as closing only, such an order would be expected to be rejected by the destination market, and would also be cancelled by NASDAQ if returned by the destination market. Rule 4758(a)(1)(A)(x). If the primary market for the security is NYSE or NYSE MKT, the order will be rejected because the cutoff is at 3:45 p.m. Eastern Time or later (or in the case of an early closing, is at 15 minutes prior to the close or later). See also supra note 6.

LIST orders, stating “and are eligible, based on the orders’ time-in force,¹¹ to participate in the after-hours market”. Accordingly, LIST Orders received after market close that have not been designated as closing only and are eligible, based on the orders’ time-in force, to participate in the after-hours market will check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table. Any remaining shares will be posted to the NASDAQ book. This additional language explains the processing logic if a LIST order is received after market close and is not designated to participate in the closing only.

By way of housekeeping, the Exchange also proposes additional explanatory language in respect of LIST orders. First, where currently Rule 4758(a)(1)(A)(x) states that two minutes before market close, all LIST orders on the book “will route” to the security’s primary listing market for participation in its closing process, the Exchange proposes to say “will begin routing” in recognition of the fact that the sheer volume of orders will not allow all orders to route at exactly the same time. Second, where currently Rule 4758(a)(1)(A)(x) states that after the security has closed on the primary listing market, a LIST order that has not been designated as “a closing only order” and that has not been fully executed, rejected, or cancelled by the market to which it was routed will be returned to the NASDAQ System, the Exchange proposes to state “a closing only or MDAY order” in recognition of the time in force of a MDAY order.¹²

¹¹ For example, orders with a time in force that is valid for extended hours trading.

¹² "Market Hours Day" or "MDAY" shall mean for orders so designated, that if after entry into the System, the order is not fully executed, the order (or unexecuted portion thereof) shall remain available for potential display and/or execution until 4:00 p.m. Eastern Time, unless canceled by the entering party, after which it shall be returned to the entering party. MDAY Orders shall be available for entry from

The Exchange believes that these proposed explanatory changes are non-controversial and are consistent with the Act.

b. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder, including the requirements of Section 6(b) of the Act.¹³ In particular, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁴ requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts and practices, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and to perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest.

NASDAQ believes that the changes will make clear to market participants that they may not designate DOT and DOTI orders to participate in the closing only of a primary listing venue under certain circumstances. In addition, NASDAQ proposes to clearly explain to market participants how orders designated to participate in the closing only and are entered at 3:45 p.m. Eastern Time or later (or in the case of an early closing, are entered 15 minutes prior to the close or later) will be handled. Collectively, the changes discussed in the proposal facilitate transactions in securities and perfect the mechanism of a free and open market and a national market system by providing

4:00 a.m. until 4:00 p.m. Eastern Time and for potential execution from 9:30 a.m. until 4:00 p.m. Eastern Time. Rule 4751(h)(6).

¹³ 15 U.S.C. 78f(b).

¹⁴ 15 U.S.C. 78f(b)(5).

NASDAQ members with greater explanation regarding the routing of their orders. The Exchange believes the changes make clear the language to Rule 4758 and make it easier to follow, and should serve to minimize any potential confusion regarding its application.

The majority of the changes are explanatory, and some are technical in nature.

As noted, the Exchange believes that the changes proposed are explanatory and non-controversial in nature.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will have any impact on competition.

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

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

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)(ii) of the Act¹⁵ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁶

¹⁵ 15 U.S.C. 78s(b)(3)(a)(ii).

For the foregoing reasons, the Exchange believes the rule filing qualifies for expedited effectiveness as a “non-controversial” rule change under Rule 19b-4(f)(6) of the Act.

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. Notice of proposed rule for publication in the Federal Register.

5. Text of the proposed rule change.

¹⁶ 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.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-NASDAQ-2015-031)

March ___, 2015

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness Regarding Rule 4758

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 March 30, 2015, 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 amend Rule 4758 (Order Routing) to a) explain the treatment of a DOT or DOTI order designated to participate in the closing only; b) explain the treatment of a LIST order designated to participate in the closing only; and c) explain the treatment of a LIST order in the after-hours market.³ The Exchange also proposes to make technical changes to further explain the language of the rule.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ For a description of market sessions and hours on the Exchange, see Rule 4120(b)(4). DOT, DOTI, and LIST orders are defined below.

The text of the proposed rule change is available at <http://nasdaq.cchwallstreet.com/>, at the Exchange'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 received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The purpose of this proposed rule change is to amend subsection (a)(1)(A) of Rule 4758 to: a) explain the treatment of a DOT or DOTI order designated to participate in the closing only; b) explain the treatment of a LIST order designated to participate in the closing only; and c) explain the treatment of a LIST order in the after-hours market. The Exchange also proposes to make technical changes to further explain the language of the rule.

NASDAQ offers its members optional routing functionality that allows them to use NASDAQ's facilities to access liquidity available on other trading venues. The functionality includes a range of defined routing algorithms--known as strategies--that determine the destinations and pattern of routing. The particular pattern of routing to other venues associated with a particular strategy is referred to in Rule 4758 as the

"System routing table". All routing is designed to be conducted in a manner consistent with the requirements of Regulation NMS.

NASDAQ currently offers a set of strategies designed to allow market participants to route orders to the primary market on which a security is listed. NASDAQ is proposing minor changes to these strategies to improve their functioning and make clear the language of the rule. As an example, NASDAQ currently offers the DOT strategy (which includes several variations) as a means of designating an order for routing to the New York Stock Exchange ("NYSE") or NYSE MKT (formerly NYSE Amex) for participation in their respective opening or closing processes. DOT orders are routed directly to NYSE or NYSE MKT, as appropriate. After attempting to execute in the opening or closing process, if any shares remain unexecuted, DOT orders thereafter check the NASDAQ Market Center System for available shares and behave as SCAN or STGY orders, depending on the designation of the entering firm.⁴ DOTI and LIST strategies are discussed below.

The Proposal

First, NASDAQ is proposing to modify the language of subsection (a)(1)(A) of Rule 4758 to make it clear that a DOT order may be designated to participate in the

⁴ STGY is a routing option under which orders check the System for available shares and simultaneously route the remaining shares to destinations on the applicable System routing table. If shares remain un-executed after routing, they are posted on the NASDAQ book. Once the order is on the book, if the order is subsequently locked or crossed by another accessible market center, the System routes the order to the locking or crossing market center. SCAN behaves similarly, but once the order is on the NASDAQ book, the System will not route the order to a locking or crossing market center. Although both options are described in Rule 4758 as variations of the DOT strategy, NASDAQ's system specifications refer to the SCAN option as either "DOTA" or "DOTD" and refer to the STGY option as "DOTM."

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⁵ In the event that an opening or closing only order was returned to NASDAQ after the time of the open or close on the destination market, NASDAQ would cancel the order.

⁶ NYSE and NYSE MKT rules do not permit the entry of on close orders after 3:45 p.m. Eastern Time unless they are offsetting an imbalance. Since the Exchange is a pass through for these purposes and does not read imbalances, the System is set to reject at the 3:45 p.m. Eastern Time cut-off or later (or in the case of an early closing, to reject 15 minutes prior to the close or later), so that the Exchange is in synch with the rules of NYSE and NYSE MKT. As discussed, the Exchange adds language to ensure that the noted orders are rejected if there is an early market close. This is similar for DOT, DOTI, and LIST.

securities, however, will be treated as a SCAN or STGY order depending on the designation of the firm. The Exchange believes the proposed explanation of how DOT orders will be treated makes the rule clearer and easier to follow, and should serve to minimize any potential confusion regarding its application.⁷ The modifications make clear the processing logic for NYSE or NYSE MKT and non- NYSE or non-NYSE MKT orders. The modifications also make clear the processing logic for NYSE or NYSE MKT DOT orders designated to participate in the closing only and entered at 3:45 p.m. Eastern Time or later (or in the case of an early closing, entered 15 minutes prior to the close or later), which would be rejected. Also, the modifications make clear the processing logic for a non-NYSE or NYSE MKT DOT order, which would continue to be treated as SCAN or STGY orders depending on the designation of the firm.

Second, NASDAQ is proposing similar changes to the DOTI routing strategy in subsection (a)(1)(A) of Rule 4758 to make it clear that a DOTI order may be designated to participate in the opening only but not in the closing only under certain circumstances. Currently, DOTI is a routing option for orders that the entering firm wishes to direct to the NYSE or NYSE MKT without them returning to the NASDAQ Market Center. DOTI orders check the System for available shares and then are sent to destinations on the System routing table before being sent to NYSE or NYSE MKT, as appropriate. Alternatively, the member entering the order may opt to have it check the System and then be sent directly to NYSE or NYSE MKT, without routing to destinations on the

⁷ For additional explanation and clarity in subsection (a)(1)(A)(i), the Exchange proposes to add the phrase “if applicable” following “after attempting to execute in the opening or closing process.”

System routing table.⁸ DOTI orders do not return to the NASDAQ Market Center book after routing. Specifically, the Exchange proposes in subsection (a)(1)(A)(ii)a. of Rule 4758 to delete the current option of a DOTI order being designated to participate in the closing only at the proper time as described below, in which case a closing only order would be expected to be rejected by the destination market and would also be cancelled by NASDAQ if returned by the destination market. The Exchange proposes new language in subsection (a)(1)(A)(ii)a. stating that if a DOTI order entered in NYSE or NYSE MKT securities has been designated to participate in the closing only and is entered at 3:45 p.m. Eastern Time or later (or in the case of an early closing, is entered 15 minutes prior to the close or later) it will be rejected.⁹ The Exchange believes the proposed explanation of how DOTI orders will be treated makes the rule clearer and easier to follow, and should serve to minimize any potential confusion regarding its application. As is the case with DOT, the modifications make clear the processing logic for NYSE or NYSE MKT DOTI orders designated to participate in the closing only and entered at 3:45 p.m. Eastern Time or later (or in the case of an early closing, entered 15 minutes prior to the close or later), which would be rejected.

Third, NASDAQ is proposing similar changes to the LIST routing strategy in subsection (a)(1)(A) of Rule 4758 to make it clear how a LIST order designated to participate in the closing only will be handled. Currently, LIST is a routing option designed to allow orders to participate in the opening and/or closing process of the primary listing market for a security, and to follow additional routing logic as described

⁸ This option is referred to in system specifications as "DOTZ".

⁹ See also supra note 6.

below. A LIST order received before the security has opened on its primary listing market will be routed to the primary listing market for participation in that market's opening process. After the security has opened on its primary listing market, unexecuted shares will be returned to the NASDAQ system; the order would be returned only to the extent that the order has not been designated opening only and has not been fully executed, rejected, or cancelled by the destination market. Thereafter, the order will check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table. Any remaining shares will be posted on the book. As with DOT and DOTI, if a LIST order is received by NASDAQ before the destination market is able to receive orders for its opening process, the order will be held until such time as the destination market can receive it. The Exchange specifically proposes new language in subsection (a)(1)(A)(x) to state that for NYSE and NYSE MKT securities, LIST orders that have been designated to participate in the closing only and are entered at the 3:45 p.m. Eastern Time cut-off or later (or in the case of an early closing, are entered 15 minutes prior to the close or later), will be rejected. This is the same as DOT and DOTI. Currently, the provision in subsection (a)(1)(A)(x) governing a LIST order that has been designated to participate in the closing only and is entered after the security has closed states that the order will nevertheless be routed to the primary listing market. The Exchange proposes to add language stating "unless the primary market for the security is NYSE or NYSE MKT".¹⁰ Accordingly, if a LIST order has

¹⁰ Based on its designation as closing only, this type of eligible LIST order will nevertheless be routed to the primary listing market; based on its designation as closing only, such an order would be expected to be rejected by the destination market, and would also be cancelled by NASDAQ if returned by the destination market. Rule 4758(a)(1)(A)(x). If the primary market for the security is NYSE or

been designated to participate in the closing only and is entered after the security has closed and the primary market for the security is other than NYSE or NYSE MKT, the order will nevertheless be routed to the primary listing market. Currently, subsection (a)(1)(A)(x) states that LIST Orders received after market close that have not been designated as closing only will check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table. The Exchange proposes to add language regarding such LIST orders, stating “and are eligible, based on the orders’ time-in force,¹¹ to participate in the after-hours market”. Accordingly, LIST Orders received after market close that have not been designated as closing only and are eligible, based on the orders’ time-in force, to participate in the after-hours market will check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table. Any remaining shares will be posted to the NASDAQ book. This additional language explains the processing logic if a LIST order is received after market close and is not designated to participate in the closing only.

By way of housekeeping, the Exchange also proposes additional explanatory language in respect of LIST orders. First, where currently Rule 4758(a)(1)(A)(x) states that two minutes before market close, all LIST orders on the book “will route” to the security’s primary listing market for participation in its closing process, the Exchange proposes to say “will begin routing” in recognition of the fact that the sheer volume of

NYSE MKT, the order will be rejected because the cutoff is at 3:45 p.m. Eastern Time or later (or in the case of an early closing, is at 15 minutes prior to the close or later). See also supra note 6.

¹¹ For example, orders with a time in force that is valid for extended hours trading.

orders will not allow all orders to route at exactly the same time. Second, where currently Rule 4758(a)(1)(A)(x) states that after the security has closed on the primary listing market, a LIST order that has not been designated as “a closing only order” and that has not been fully executed, rejected, or cancelled by the market to which it was routed will be returned to the NASDAQ System, the Exchange proposes to state “a closing only or MDAY order” in recognition of the time in force of a MDAY order.¹²

The Exchange believes that these proposed explanatory changes are non-controversial and are consistent with the Act.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder, including the requirements of Section 6(b) of the Act.¹³ In particular, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁴ requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts and practices, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and to perfect the mechanism for a

¹² "Market Hours Day" or "MDAY" shall mean for orders so designated, that if after entry into the System, the order is not fully executed, the order (or unexecuted portion thereof) shall remain available for potential display and/or execution until 4:00 p.m. Eastern Time, unless canceled by the entering party, after which it shall be returned to the entering party. MDAY Orders shall be available for entry from 4:00 a.m. until 4:00 p.m. Eastern Time and for potential execution from 9:30 a.m. until 4:00 p.m. Eastern Time. Rule 4751(h)(6).

¹³ 15 U.S.C. 78f(b).

¹⁴ 15 U.S.C. 78f(b)(5).

free and open market and a national market system, and, in general, to protect investors and the public interest.

NASDAQ believes that the changes will make clear to market participants that they may not designate DOT and DOTI orders to participate in the closing only of a primary listing venue under certain circumstances. In addition, NASDAQ proposes to clearly explain to market participants how orders designated to participate in the closing only and are entered at 3:45 p.m. Eastern Time or later (or in the case of an early closing, are entered 15 minutes prior to the close or later) will be handled. Collectively, the changes discussed in the proposal facilitate transactions in securities and perfect the mechanism of a free and open market and a national market system by providing NASDAQ members with greater explanation regarding the routing of their orders. The Exchange believes the changes make clear the language to Rule 4758 and make it easier to follow, and should serve to minimize any potential confusion regarding its application. The majority of the changes are explanatory, and some are technical in nature.

As noted, the Exchange believes that the changes proposed are explanatory and non-controversial in nature.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will have any impact on competition.

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)(ii) of the Act¹⁵ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁶

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

IV. Solicitation of Comments

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

Electronic comments:

¹⁵ 15 U.S.C. 78s(b)(3)(a)(ii).

¹⁶ 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.

- 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-2015-031 on the subject line.

Paper comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NASDAQ-2015-031. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-NASDAQ-2015-031 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.¹⁷

Kevin M. O'Neill
Deputy Secretary

¹⁷ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Proposed new text is underlined. Deleted text is [bracketed].

**NASDAQ Market Rules
Equity Rules**

* * * * *

4758. Order Routing**(a) Order Routing Process**

(1) The Order Routing Process shall be available to Participants from the opening of the System (generally 4:00 a.m. Eastern Time) until the closing of the System (generally 8:00 p.m. Eastern Time), and shall route orders as described below. All routing of orders shall comply with Rule 611 of Regulation NMS under the Exchange Act.

(A) The System provides a variety of routing options. Routing options may be combined with all available order types and times-in-force, with the exception of order types and times-in-force whose terms are inconsistent with the terms of a particular routing option. The System will consider the quotations only of accessible markets. The term "System routing table" refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them. Nasdaq reserves the right to maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. The System routing options are:

- (i) DOT is a routing option for orders that the entering firm wishes to designate for participation in the NYSE or NYSE MKT opening or closing processes. DOT orders are routed directly to NYSE or NYSE MKT, as appropriate. A DOT order may be designated to participate in the opening or closing only (as provided in the specifications of the destination market) or to remain in force after the opening or closing, as applicable. If a DOT order has been designated to participate in the opening only [(or closing only)]and is entered after the security has opened [(or closed)], the order will nevertheless be routed to NYSE or NYSE MKT; based on its designation as opening [or closing]only, such an order would be expected to be rejected by the destination market, and would also be cancelled by Nasdaq if returned by the destination market. If a DOT order has been designated to participate in the closing only and is entered at 3:45 p.m. Eastern Time or later (or in the case of an early closing, is entered 15 minutes prior to the close or later), the order will be rejected. After attempting to execute in the opening or closing process, if applicable, DOT orders that are not designated opening or closing only and that have not been fully executed, rejected, or cancelled by the market to which they were routed thereafter check the System

for available shares and are converted into SCAN or STGY orders, depending on the designation of the entering firm. DOT orders that are not designated as opening or closing only orders but that are entered after the time of the opening or closing, as applicable, will also be converted into SCAN or STGY orders, depending on the designation of the entering firm. DOT orders that are designated to participate in an opening process and that are received by NASDAQ before the destination market can receive them will be held until such time as the destination market can receive them. DOT orders entered in non-NYSE or NYSE MKT securities will be treated as SCAN or STGY orders depending on the designation of the firm.

(ii) a. DOTI is a routing option for orders that the entering firm wishes to direct to the NYSE or NYSE MKT without returning to the Nasdaq Market Center. DOTI orders check the System for available shares and then are sent to destinations on the System routing table before being sent to NYSE or NYSE MKT, as appropriate. DOTI orders do not return to the Nasdaq Market Center book after routing. A DOTI order may be designated to participate in the opening or closing only (as provided in the specifications of the destination market) or to remain in force after the opening or closing, as applicable. If a DOTI order has been designated to participate in the opening only [(or closing only)] and is entered after the security has opened[(or closed)], the order will nevertheless be routed to NYSE or NYSE MKT; based on its designation as opening [(or closing)] only, such an order would be expected to be rejected by the destination market, and would also be cancelled by Nasdaq if returned by the destination market. If a DOTI order has been designated to participate in the closing only and is entered at 3:45 p.m. Eastern Time or later (or in the case of an early closing, is entered 15 minutes prior to the close or later), the order will be rejected.

b. - c. No Change.

(iii) - (ix) No Change.

(x) LIST is a routing option designed to allow orders to participate in the opening and/or closing process of the primary listing market for a security, and to follow additional routing logic as described below. A LIST order received before the security has opened on its primary listing market will be routed to the primary listing market for participation in that market's opening process. A LIST order may be designated to participate in the opening or closing only (as provided in the specifications of the destination market) or to remain in force after the opening or closing, as applicable. If a LIST order has been designated to participate in the opening only and is entered after the security has opened, the order will nevertheless be routed to the primary listing market; based on its designation as opening only, such an order would be expected to be rejected by the destination market, and would also be cancelled by Nasdaq if returned by the destination market. If a LIST order is received by NASDAQ before the

destination market is able to receive orders for its opening process, the order will be held until such time as the destination market can receive it.

After the security has opened on its primary listing market, a LIST order that has not been designated opening only and that has not been fully executed, rejected, or cancelled by the market to which it was routed will be returned to the NASDAQ system. Thereafter, the order will check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table. Any remaining shares will be posted on the book. In addition, if a LIST order is entered after the security has opened on the primary listing market (but before a time that is two minutes before market close) and the order has not been designated to participate in the opening only, NASDAQ will check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table, with remaining shares posted on the book. Once on the book, if the order is subsequently locked or crossed by another market center, the System will not route the order to the locking or crossing market center. Two minutes before market close, all LIST orders on the book will [route]begin routing to the security's primary listing market for participation in its closing process. If a LIST order is received at or after a time that is two minutes before market close but before market close, NASDAQ will check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table; remaining shares will be routed to the security's primary listing market to participate in its closing process. After the security has closed on the primary listing market, a LIST order that has not been designated as a closing only or MDAY order and that has not been fully executed, rejected, or cancelled by the market to which it was routed will be returned to the NASDAQ System and shares unexecuted in the closing process will be posted to the NASDAQ book. If a LIST order has been designated to participate in the closing only and is entered after the security has closed, the order will nevertheless be routed to the primary listing market unless the primary market for the security is NYSE or NYSE MKT; based on its designation as closing only, such an order would be expected to be rejected by the destination market, and would also be cancelled by Nasdaq if returned by the destination market. For NYSE and NYSE MKT securities, if a LIST order has been designated to participate in the closing only and is entered at 3:45 p.m. Eastern Time or later (or in the case of an early closing, is entered 15 minutes prior to the close or later), the order will be rejected. LIST orders received after market close that have not been designated as closing only and are eligible, based on the orders' time-in-force, to participate in the after-hours market will check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table. Any remaining shares will be posted to the NASDAQ book.

If trading in the security is stopped across all markets, LIST orders will be sent to the primary listing market to participate in the re-opening process. When normal trading resumes, unexecuted shares will be removed from the primary listing

market and posted on the NASDAQ book. LIST orders may not be designated as MGTC or SGTC.

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