

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 28	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2015 - * 034	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"/>
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule <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 Section 806(e)(1) * <input type="checkbox"/>			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 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="Relating to NASDAQ Market Center Participant Registration and Sponsored Access"/>					
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="Angela"/> Last Name * <input type="text" value="Dunn"/> Title * <input type="text" value="Associate General Counsel"/> E-mail * <input type="text" value="angela.dunn@nasdaqomx.com"/> Telephone * <input type="text" value="(215) 496-5692"/> Fax <input type="text"/>					
Signature Pursuant to the requirements of the Securities Exchange Act of 1934, has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized. (Title *) Date <input type="text" value="04/07/2015"/> By <input type="text" value="Edward S. Knight"/> <input type="text" value="Executive Vice President and General Counsel"/> (Name *) <input type="text" value="edward.knight@nasdaq.com"/>					
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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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

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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 the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² The NASDAQ Stock Market LLC (“NASDAQ” or the “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposal to amend Rule 4611, entitled “Nasdaq Market Center Participant Registration” and adopt a new Rule 4615, entitled “Sponsored Participants.”

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 is attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of NASDAQ pursuant to authority delegated by the Board of Directors of NASDAQ on July 16, 2014. NASDAQ staff will advise the Board of Directors of NASDAQ of any action taken pursuant to delegated authority. No other action by NASDAQ is necessary for the filing of the rule change.

Questions and comments on the proposed rule change may be directed to Angela Saccomandi Dunn, Associate General Counsel, The NASDAQ OMX Group, Inc. at (215) 496-5692.

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

The purpose of the proposed rule change is to amend Rule 4611, entitled “Nasdaq Market Center Participant Registration” to relocate 4611(d), pertaining to Sponsored Access, to a new Rule 4615, entitled “Sponsored Participants,” and adopt rule text similar to other exchanges.³ The Exchange does not believe that this proposed rule change will impact market participants currently accessing the System pursuant to Rule 4611.

On January 13, 2010, the Commission approved the Exchange’s current rule.⁴ On November 3, 2010, the Commission adopted Rule 15c3-5 which governs risk management controls by broker-dealers with market access.⁵ At this time, the Exchange proposes to modify its current rule to conform the rule text to that of other exchanges. Specifically, this proposed rule change would conform rule text related to Sponsored Access by eliminating provisions already covered by 15c3-5. The current rule applies to members conducting either an equities or an options business.

A Sponsored Participant is an entity with authorized electronic access to the Exchange for the entry and execution of orders. A Sponsored Participant trades under a Sponsoring Member’s execution and clearing identity pursuant to a sponsorship

³ The proposed rule text is similar to NASDAQ OMX PHLX LLC (“Phlx”) Rule 1094, the International Securities Exchange LLC (“ISE”) Rule 706, the Chicago Board Options Exchange Incorporated (“CBOE”) Rule 6.20A and NYSE ARCA, Inc. (“NYSE Arca”) Rule 7.29.

⁴ Securities Exchange Act Release No. 61345 (January 13, 2010), 75 FR 3263 (January 20, 2010) (SR-NASDAQ-2008-104) (“NASDAQ Sponsored Access Approval Order”).

⁵ Securities Exchange Act Release No. 63241, 75 FR 69792 (November 15, 2010).

arrangement. . The proposed rule continues to require the Sponsoring Member to take responsibility for the Sponsored Participant's activity on the Exchange.

Today, Nasdaq Rule 4611 provides that members that enter into an arrangement with another person or entity to provide that person with access to Nasdaq or otherwise allow such person to route its orders to Nasdaq using the member's market participant identifier, to provide such access are responsible for all trading conducted pursuant to that arrangement to the same extent as trading directly conducted by the member for customers. Consequently, the member is responsible for implementing policies and procedures for supervising and monitoring trading effected pursuant to the arrangement to ensure that it is in compliance with all applicable federal securities laws and rules and Exchange rules. A Sponsoring Member is required to execute and maintain agreements with each Sponsored Participants and commit to various Regulatory requirements and provided access to book and records and financial information. Financial limits are imposed on Sponsored Participants. Requirements are specified with respect to permissible technology. Other arrangements with Third Party Providers must also be documented and contain the commitments specified in Rule 4611(d)(3)(B). Rule 4611(d)(4) specified financial controls to monitor and control the Sponsored Access to limit financial exposure. Rule 4611(d)(5) specifies regulatory control to effectively monitor and control compliance with Regulatory Requirements.

The Exchange intends to remove current Rule 4611(d) and adopt a new Rule 4515 with provisions related to Sponsored Access similar to that of other exchanges.⁶ The new

⁶ The proposed rule text is similar to NASDAQ OMX PHLX LLC ("Phlx") Rule

proposed rule text similarly permits members conducting, either an equity or options business, to permit authorized access to the Exchange by Sponsored Participants provided they enter into a Sponsored Participant Agreement with the Exchange. Similar to current Rule 4611(d), the Sponsored Participant and its Sponsoring Member must enter into and maintain an agreement whereby the Sponsoring Member would continue to be responsible for orders entered into the System by the Sponsored Participant as well as all actions taken by the Sponsored Participant. The Sponsored Member shall continue to be bound to comply with Exchange' governance documents, Bylaws, Rules and procedures. The Sponsored Participant is required to provide a list of individuals authorized to access the Nasdaq Market Center on behalf of the Sponsored Participant and provide training to these individuals. The Sponsored Member must continue to restrict access to unauthorized persons, take reasonable security precautions to prevent unauthorized access, have in place adequate procedures and controls to monitor use and access to the Nasdaq Stock Market and pay fees that are owed. The Sponsoring Member must provide the Exchange with Notice of Consent acknowledging its responsibility for the orders, executions and actions of its Sponsored Participant at issue. The requirements specified with new Rule 4615(d), other than the list of individuals and the Notice of Consent, are currently required today in Rule 4611. The Exchange's new Rule requires a list of individuals and the consent that were previously not required by Rule. The rule text of current Rule 4611(d), pertaining to financial and regulatory controls, is being removed. Members continue to be obligated to adhere to financial and regulatory controls as

1094, the International Securities Exchange LLC ("ISE") Rule 706, the Chicago Board Options Exchange Incorporated ("CBOE") Rule 6.20A and NYSE ARCA, Inc. ("NYSE Arca") Rule 7.29.

specified in Rule 15c3-5. New Rule 4615 specifies the obligations of Sponsoring Members and Sponsoring Participants relative to accessing the Nasdaq Market Center. This new rule is consistent with rules of other exchanges.⁷ Market participants are required to comply with Rule 15c3-5 in addition to relevant exchange provisions where they are members.

The rule text is the current Rule 4611(d)(3) requires a Sponsoring Member that provides Sponsored Access to execute and maintain agreements with each Sponsored Participant containing the commitments noted in Rule 4611(d)(3)(i) through (v). The proposed rule would require the Sponsored Participant to enter into and maintain customer agreements with one or more Sponsoring Members establishing proper relationship(s) and account(s) through which the Sponsored Participant may trade on the Nasdaq Market Center in accordance with provisions set forth in Rule 4615(b)(ii). In addition, proposed Rule 4615(b)(ii)(D) requires the Sponsored Participant to maintain, keep current and provide to the Sponsoring Member a list of individuals authorized to obtain access to the Nasdaq Market Center on behalf of the Sponsored Participant. This list of authorized persons is not required under the current rules.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act⁹ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and

⁷ Id.

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest, by continuing to permit market participants gain access to a marketplace. Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and 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.¹⁰ Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) requirement that the rules of a national securities exchange be designed to not permit unfair discrimination between customer, issuers, brokers or dealers.¹¹

The Commission adopted Rule 15c3-5 under the Act, which, among other things, requires broker-dealers providing others with access to an exchange or alternative trading system to establish, document, and maintain a system of risk management controls and supervisory procedures reasonably designed to manage the financial, regulatory, and other risks of providing such access.¹² Rule 15c3-5 requires members to have in place certain pre-trade risk controls filters for sponsored orders, prior to those order being sent to the Exchange to ensure that regulatory and financial risk controls. Pursuant to Rule

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ Id.

¹² See Securities Exchange Act Release No. 63241 (November 3, 2010), 75 FR 69792 (November 15, 2010).

15c3-5, broker-dealers with market access are obligated to establish, document, and maintain a system of risk management controls and supervisory procedures reasonably designed to manage financial, regulatory, and other risks of this business activity.

The Exchange believes that the changes proposed herein should continue to offer market participants access to its marketplace. The Exchange believes that proposed Rule 4615 continues to require members to provide requisite information concerning sponsored arrangements, which aids the Exchange's efforts to monitor and regulate Nasdaq's markets and aids the prevention of fraudulent and manipulative practices.

The Exchange believes that the proposed rule change is designed to avoid unfair discrimination among members, as the proposed rule change provides for the Exchange to impose requirements on members in an objective manner. Finally, the proposed rule change will help remove impediments to and promote a free and open market and a national market system because it is consistent with rules in place at other exchanges and imposes similar requirements on its members.

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 proposed rule for Sponsored Access will continue to treat all members, equity and options, in a uniform fashion. The proposed rule change seeks to provide clear guidelines on the responsibilities of Sponsoring Members that provide Sponsored Access as well as the responsibilities owed by Sponsoring Members, with respect to Sponsored Participants, to the Exchange.

The proposed rule change does not impose any undue burden on competition, rather it seeks to enable market participants to gain access to the marketplace.

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)

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)¹³ of the Act and Rule 19b-4(f)(6)¹⁴ thereunder, in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The proposed rule change does not significantly affect the protection of investors or the public interest, nor does it impose any significant burden on competition, rather it seeks to enable non-members to gain access to the marketplace. The proposed rule is similar to rule text at other exchanges.¹⁵

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

¹³ 15 U.S.C. 78s(b)(3)(A).

¹⁴ 17 CFR 240.19b-4(f)(6).

¹⁵ See note 6.

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. Furthermore, a proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act¹⁶ normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)¹⁷ permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The proposed rule change is consistent with Rule 15c3-5 of the Act.

Furthermore, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

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.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive

¹⁶ 17 CFR 240.19b-4(f)(6).

¹⁷ Id.

the 30-day pre-operative waiting period contained in Rule 19b-4(f)(6)(iii) so that the Exchange may update its current rule pertaining to Sponsored Access to conform its Rule with that of other exchanges.¹⁸

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

The proposed rule change is substantially similar to Phlx rule 1094, ISE Rule 706, NYSE Arca Rule 7.29, and CBOE Rule 6.20A.

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. Applicable portion of the rule text.

¹⁸ See note 6.

Exhibit 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-NASDAQ-2015-034)

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to NASDAQ Market Center Participant Registration and Sponsored Access

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 April 7, 2015, The NASDAQ Stock Market LLC (“NASDAQ” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by NASDAQ. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

NASDAQ proposes to amend Rule 4611, entitled “Nasdaq Market Center Participant Registration” and adopt a new Rule 4615, entitled “Sponsored Participants.”

The text of the proposed rule change is available on the Exchange’s Website at <http://www.nasdaq.cchwallstreet.com>, at the principal office of the Exchange, and at the 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, 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 the proposed rule change is to amend Rule 4611, entitled “Nasdaq Market Center Participant Registration” to relocate 4611(d), pertaining to Sponsored Access, to a new Rule 4615, entitled “Sponsored Participants,” and adopt rule text similar to other exchanges.³ The Exchange does not believe that this proposed rule change will impact market participants currently accessing the System pursuant to Rule 4611.

On January 13, 2010, the Commission approved the Exchange’s current rule.⁴ On November 3, 2010, the Commission adopted Rule 15c3-5 which governs risk management controls by broker-dealers with market access.⁵ At this time, the Exchange proposes to

³ The proposed rule text is similar to NASDAQ OMX PHLX LLC (“Phlx”) Rule 1094, the International Securities Exchange LLC (“ISE”) Rule 706, the Chicago Board Options Exchange Incorporated (“CBOE”) Rule 6.20A and NYSE ARCA, Inc. (“NYSE Arca”) Rule 7.29.

⁴ Securities Exchange Act Release No. 61345 (January 13, 2010), 75 FR 3263 (January 20, 2010) (SR-NASDAQ-2008-104) (“NASDAQ Sponsored Access Approval Order”).

⁵ Securities Exchange Act Release No. 63241, 75 FR 69792 (November 15, 2010).

modify its current rule to conform the rule text to that of other exchanges. Specifically, this proposed rule change would conform rule text related to Sponsored Access by eliminating provisions already covered by 15c3-5. The current rule applies to members conducting either an equities or an options business.

A Sponsored Participant is an entity with authorized electronic access to the Exchange for the entry and execution of orders. A Sponsored Participant trades under a Sponsoring Member's execution and clearing identity pursuant to a sponsorship arrangement. . The proposed rule continues to require the Sponsoring Member to take responsibility for the Sponsored Participant's activity on the Exchange.

Today, Nasdaq Rule 4611 provides that members that enter into an arrangement with another person or entity to provide that person with access to Nasdaq or otherwise allow such person to route its orders to Nasdaq using the member's market participant identifier, to provide such access are responsible for all trading conducted pursuant to that arrangement to the same extent as trading directly conducted by the member for customers. Consequently, the member is responsible for implementing policies and procedures for supervising and monitoring trading effected pursuant to the arrangement to ensure that it is in compliance with all applicable federal securities laws and rules and Exchange rules. A Sponsoring Member is required to execute and maintain agreements with each Sponsored Participants and commit to various Regulatory requirements and provided access to book and records and financial information. Financial limits are imposed on Sponsored Participants. Requirements are specified with respect to permissible technology. Other arrangements with Third Party Providers must also be documented and contain the commitments specified in Rule 4611(d)(3)(B). Rule

4611(d)(4) specified financial controls to monitor and control the Sponsored Access to limit financial exposure. Rule 4611(d)(5) specifies regulatory control to effectively monitor and control compliance with Regulatory Requirements.

The Exchange intends to remove current Rule 4611(d) and adopt a new Rule 4515 with provisions related to Sponsored Access similar to that of other exchanges.⁶ The new proposed rule text similarly permits members conducting, either an equity or options business, to permit authorized access to the Exchange by Sponsored Participants provided they enter into a Sponsored Participant Agreement with the Exchange. Similar to current Rule 4611(d), the Sponsored Participant and its Sponsoring Member must enter into and maintain an agreement whereby the Sponsoring Member would continue to be responsible for orders entered into the System by the Sponsored Participant as well as all actions taken by the Sponsored Participant. The Sponsored Member shall continue to be bound to comply with Exchange' governance documents, Bylaws, Rules and procedures. The Sponsored Participant is required to provide a list of individuals authorized to access the Nasdaq Market Center on behalf of the Sponsored Participant and provide training to these individuals. The Sponsored Member must continue to restrict access to unauthorized persons, take reasonable security precautions to prevent unauthorized access, have in place adequate procedures and controls to monitor use and access to the Nasdaq Stock Market and pay fees that are owed. The Sponsoring Member must provide the Exchange with Notice of Consent acknowledging its responsibility for the orders, executions and actions of its Sponsored Participant at issue. The requirements specified

⁶ The proposed rule text is similar to NASDAQ OMX PHLX LLC ("Phlx") Rule 1094, the International Securities Exchange LLC ("ISE") Rule 706, the Chicago Board Options Exchange Incorporated ("CBOE") Rule 6.20A and NYSE ARCA, Inc. ("NYSE Arca") Rule 7.29.

with new Rule 4615(d), other than the list of individuals and the Notice of Consent, are currently required today in Rule 4611. The Exchange's new Rule requires a list of individuals and the consent that were previously not required by Rule. The rule text of current Rule 4611(d), pertaining to financial and regulatory controls, is being removed. Members continue to be obligated to adhere to financial and regulatory controls as specified in Rule 15c3-5. New Rule 4615 specifies the obligations of Sponsoring Members and Sponsoring Participants relative to accessing the Nasdaq Market Center. This new rule is consistent with rules of other exchanges.⁷ Market participants are required to comply with Rule 15c3-5 in addition to relevant exchange provisions where they are members.

The rule text is the current Rule 4611(d)(3) requires a Sponsoring Member that provides Sponsored Access to execute and maintain agreements with each Sponsored Participant containing the commitments noted in Rule 4611(d)(3)(i) through (v). The proposed rule would require the Sponsored Participant to enter into and maintain customer agreements with one or more Sponsoring Members establishing proper relationship(s) and account(s) through which the Sponsored Participant may trade on the Nasdaq Market Center in accordance with provisions set forth in Rule 4615(b)(ii). In addition, proposed Rule 4615(b)(ii)(D) requires the Sponsored Participant to maintain, keep current and provide to the Sponsoring Member a list of individuals authorized to obtain access to the Nasdaq Market Center on behalf of the Sponsored Participant. This list of authorized persons is not required under the current rules.

⁷ Id.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act⁹ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest, by continuing to permit market participants gain access to a marketplace. Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and 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.¹⁰ Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) requirement that the rules of a national securities exchange be designed to not permit unfair discrimination between customer, issuers, brokers or dealers.¹¹

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ Id.

The Commission adopted Rule 15c3-5 under the Act, which, among other things, requires broker-dealers providing others with access to an exchange or alternative trading system to establish, document, and maintain a system of risk management controls and supervisory procedures reasonably designed to manage the financial, regulatory, and other risks of providing such access.¹² Rule 15c3-5 requires members to have in place certain pre-trade risk controls filters for sponsored orders, prior to those order being sent to the Exchange to ensure that regulatory and financial risk controls. Pursuant to Rule 15c3-5, broker-dealers with market access are obligated to establish, document, and maintain a system of risk management controls and supervisory procedures reasonably designed to manage financial, regulatory, and other risks of this business activity.

The Exchange believes that the changes proposed herein should continue to offer market participants access to its marketplace. The Exchange believes that proposed Rule 4615 continues to require members to provide requisite information concerning sponsored arrangements, which aids the Exchange's efforts to monitor and regulate Nasdaq's markets and aids the prevention of fraudulent and manipulative practices.

The Exchange believes that the proposed rule change is designed to avoid unfair discrimination among members, as the proposed rule change provides for the Exchange to impose requirements on members in an objective manner. Finally, the proposed rule change will help remove impediments to and promote a free and open market and a national market system because it is consistent with rules in place at other exchanges and imposes similar requirements on its members.

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

¹² See Securities Exchange Act Release No. 63241 (November 3, 2010), 75 FR 69792 (November 15, 2010).

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 proposed rule for Sponsored Access will continue to treat all members, equity and options, in a uniform fashion. The proposed rule change seeks to provide clear guidelines on the responsibilities of Sponsoring Members that provide Sponsored Access as well as the responsibilities owed by Sponsoring Members, with respect to Sponsored Participants, to the Exchange.

The proposed rule change does not impose any undue burden on competition, rather it seeks to enable market participants to gain access to the marketplace.

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

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

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 Act¹³ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁴

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

¹³ 15 U.S.C. 78s(b)(3)(a)(ii).

¹⁴ 17 CFR 240.19b-4(f)(6).

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. The Exchange has provided the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change 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-2015-034 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-NASDAQ-2015-034. 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-2015-034 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.¹⁵

Kevin M. O'Neill
Deputy Secretary

¹⁵ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

New text is underlined; deleted text is in brackets.

4611. Nasdaq Market Center Participant Registration

(a) Participation in the Nasdaq Market Center as a Nasdaq Market Maker, Nasdaq ECN or Order Entry Firm requires current registration as such with Nasdaq. Such registration shall be conditioned upon the participant's initial and continuing compliance with the following requirements:

- (1)** execution of applicable agreements with Nasdaq;
- (2)** membership in, or access arrangement with a participant of, a clearing agency registered with the Commission which maintains facilities through which Nasdaq Market Center compared trades may be settled;
- (3)** compliance with all applicable rules and operating procedures of Nasdaq and the Commission in their use of the System;
- (4)** maintenance of the physical security of the equipment located on the premises of the Nasdaq Market Maker, Nasdaq ECN or Order Entry Firm to prevent the improper use or access to Nasdaq systems, including unauthorized entry of information into the Nasdaq Market Center;
- (5)** acceptance and settlement of each Nasdaq Market Center trade that the Nasdaq Market Center identifies as having been effected by such participant, or if settlement is to be made through another clearing member, guarantee of the acceptance and settlement of such identified Nasdaq Market Center trade by the clearing member on the regularly scheduled settlement date; and
- (6)** input of accurate information into the System, including, but not limited to, whether the member acted in a principal, agent, or riskless principal capacity.

A member's registration shall become effective upon receipt by the member of notice of an approval of registration by Nasdaq. The registration required hereunder will apply solely to the qualification of a Participant to participate in the System. Such registration shall not be conditioned upon registration in any particular Nasdaq Market Center securities.

(b) Each Nasdaq Market Maker, Nasdaq ECN or Order Entry Firm shall be under a continuing obligation to inform Nasdaq of noncompliance with any of the registration requirements set forth above.

(c) Nasdaq may impose upon any Nasdaq Market Maker, Nasdaq ECN or Order Entry Firm such temporary restrictions upon the automated entry or updating of orders or Quotes/Orders as Nasdaq may determine to be necessary to protect the integrity of Nasdaq's systems. For example, such temporary restrictions may be necessary to address a system problem at a particular Nasdaq Market Maker, Nasdaq ECN or Order Entry Firm or at Nasdaq, or an unexpected period of

extremely high message traffic. The scope of any such restrictions shall be communicated to the affected Nasdaq Market Maker, Nasdaq ECN or Order Entry Firm in writing.

[(d) Access to a Trading Center. Members that enter into an arrangement with another person or entity (e.g., a customer, another member, or a non-member broker-dealer) to provide that person with access to Nasdaq or otherwise allow such person to route its orders to Nasdaq using the member's market participant identifier ("MPID"), shall do so through either a Sponsored Access System or a Member System. Members that provide such access are responsible for all trading conducted pursuant to that arrangement to the same extent as trading directly conducted by the member for customers. Consequently, the member is responsible for implementing policies and procedures for supervising and monitoring the trading effected pursuant to the arrangement to ensure that it is in compliance with all applicable federal securities laws and rules and Exchange rules. This obligation applies irrespective of the manner in which orders pursuant to such arrangements reach Nasdaq.

(1) *Definition.*

(A) Sponsored Access is the practice by a member ("Sponsoring Member") of providing access to Nasdaq to another person, firm or customer ("Sponsored Participant") whereby the Sponsored Participant enters orders into Nasdaq using a Sponsored Access System but the orders do not pass through a Member System prior to reaching Nasdaq.

(B) Direct Market Access ("DMA") is the practice by a member ("Sponsoring Member") of providing access to Nasdaq to another person, firm or customer ("Sponsored Participant") whereby the Sponsored Participant makes decisions regarding order routing and order entry but the orders pass through a Member System prior to reaching Nasdaq.

(C) A Member System is any system administered and controlled solely by the Sponsoring Member and that applies the pre- and post-trade financial and regulatory controls set forth in sections (4) and (5) below.

(D) A Sponsored Access System is any system that applies pre- and post-trade financial and regulatory controls set forth in sections (4) and (5) below and that is not administered and controlled solely by the Sponsoring Member.

(2) *Compliance* . To ensure that Sponsored Access is consistent with high market quality and the protection of investors, Sponsoring Members providing Sponsored Access shall at a minimum comply with the Contractual Provisions, Financial Controls, and Regulatory Controls set forth in sections (3), (4), and (5) below. Sponsoring Members providing Direct Market Access shall at a minimum comply with the Financial Controls and Regulatory Controls set forth in sections (4) and (5) below.

(3) *Contractual Provisions.*

(A) (v) below.

- (i) All trading activity by the Sponsored Participant shall comply with all applicable federal securities laws and rules and Exchange rules, including but not limited to the Nasdaq Certificate of Incorporation, Bylaws, Rules and procedures with regard to the Nasdaq Market Center ("Regulatory Requirements").
- (ii) Sponsored Participant shall promptly upon request provide Sponsoring Member with access to such books and records and financial information that is necessary to allow the Sponsoring Member to comply with its regulatory obligations with respect to activity of the Sponsored Participant within the Sponsored Access arrangement, and otherwise cooperate with the Sponsoring Member in furtherance of Sponsoring Member's compliance with applicable Regulatory Requirements. Information provided by Sponsored Participants to Sponsoring Members pursuant to such requests shall be maintained as confidential by the Sponsoring Member, provided that such information shall be available to Nasdaq upon request for regulatory purposes.
- (iii) Sponsored Participant shall maintain its trading activity within the credit, product or other financial limits specified by the Sponsoring Member.
- (iv) Sponsored Participant shall maintain all technology permitting sponsored access to Nasdaq in a physically secure manner and may not permit unauthorized individuals to use or obtain access to Nasdaq. Sponsored Participant shall familiarize its authorized individuals with the Regulatory Requirements and will provide appropriate training prior to use or access to Nasdaq.
- (v) Sponsored Participant shall agree that the Sponsoring Member or Nasdaq may immediately terminate the Sponsored Access if the Sponsoring Member or Nasdaq determines that continuing such access poses serious risk to the Sponsoring Member or to the integrity of the market.

(B) A Sponsoring Member that provides Sponsored Access shall execute and maintain agreements with each third party ("Third Party Provider") that provides a Sponsored Access System to Sponsored Participants for accessing Nasdaq, specifying which of the financial and regulatory controls stated in subsections (4) and (5) below are satisfied by the technology provided, and containing the commitments below.

- (1) Third Party Providers shall promptly upon request provide Sponsoring Member with access to such books and records and financial information that is necessary to allow the Sponsoring Member to comply with its regulatory obligations with respect to activity of the Sponsored Participant within the Sponsored Access arrangement, and otherwise cooperate with the Sponsoring Member in furtherance of Sponsoring Member's compliance with applicable Regulatory Requirements. Information provided by Sponsored Participants to Sponsoring Members pursuant to such requests shall be maintained as confidential by the Sponsoring Member,

provided that such information shall be available to Nasdaq upon request for regulatory purposes.

- (2) Third Party Providers shall maintain all technology permitting Sponsored Access to Nasdaq in a physically secure manner and may not permit unauthorized individuals to use or obtain access to Nasdaq.
- (3) Third Party Providers shall agree that Nasdaq or its agent may audit the Sponsored Access System and that the Sponsoring Member or Nasdaq may immediately terminate the Sponsored Access if the Sponsored Participant or Third Party Provider fails to abide by its commitments.
- (4) **Financial Controls** . Each Sponsoring Member shall establish adequate procedures and controls that permit it to effectively monitor and control the Sponsored Access or Direct Market Access to systemically limit the Sponsoring Member's financial exposure. At a minimum, the Member System or Sponsored Access System shall be reasonably designed to:
 - (A) Prevent each Sponsored Participant from entering orders that in aggregate exceed appropriate pre-set credit thresholds. Sponsoring Members may also set finely-tuned credit thresholds by sector, security or otherwise.
 - (B) Prevent Sponsored Participants from trading products that the Sponsoring Member is restricted from trading or that the Sponsored Participant is restricted from trading for reasons specific to the Sponsored Participant.
 - (C) Prevent Sponsored Participants from submitting erroneous orders by providing for the rejection of orders that exceed certain price or size parameters, on an order-by-order basis or over a short period of time, or that indicate duplicative orders.
- (5) **Regulatory Controls** . Each Sponsoring Member shall establish adequate procedures and controls reasonably designed to permit it to effectively monitor and control compliance with Regulatory Requirements,
 - (A) Each Sponsoring Member shall have systemic controls reasonably designed to ensure compliance by the Sponsored Participant with all applicable Regulatory Requirements.
 - (B) Each Sponsoring Member shall ensure that appropriate supervisory personnel receive and review timely reports of all trading activity by its Sponsored Participants sufficient to permit the Sponsoring Member to comply with applicable Regulatory Requirements, and to monitor for illegal activity such as market manipulation or insider trading. At minimum, appropriate supervisory personnel should receive immediate post-trade execution reports of trading activity of all Sponsored Participants, including their identities; all required audit trail information by no later than the end of the trading day; and all information necessary to create and maintain

the trading records required by applicable Regulatory Requirements by no later than the end of the trading day. Appropriate supervisory personnel shall review execution reports immediately and other reports promptly.]

* * * * *

4615. [Reserved] Sponsored Participants

(a) The Exchange shall be available for entry and execution of orders by Sponsored Participants with authorized access. To obtain authorized access to the Exchange, each Sponsored Participant must enter into a Sponsored Participant Agreement with the Exchange in such form as the Exchange may provide.

(b) Sponsored Participants. A Sponsored Participant may obtain authorized access to the Nasdaq Market Center only if such access is authorized in advance by one or more Exchange members as follows:

(i) Sponsored Participants must enter into and maintain customer agreements with one or more Sponsoring Members establishing proper relationship(s) and account(s) through which the Sponsored Participant may trade on the Nasdaq Market Center. Such customer agreement(s) must incorporate the Sponsorship Provisions set forth in paragraph (ii) below.

(ii) For a Sponsored Participant to obtain and maintain authorized access to the Nasdaq Market Center, a Sponsored Participant and its Sponsoring Member must agree in writing to the following Sponsorship Provisions:

(A) Sponsored Participant and its Sponsoring Member must have entered into and maintained a User Agreement with the Exchange. The Sponsoring Member must designate the Sponsored Participant by name in its User Agreement as such.

(B) Sponsoring Member acknowledges and agrees that

(1) All orders entered by the Sponsored Participants and any person acting on behalf of or in the name of such Sponsored Participant and any executions occurring as a result of such orders are binding in all respects on the Sponsoring Member and

(2) Sponsoring Member is responsible for any and all actions taken by such Sponsored Participant and any person acting on behalf of or in the name of such Sponsored Participant.

(C) Sponsoring Member shall comply with the Exchange's Limited Liability Company Agreement, Bylaws, Rules and procedures with regard to the Nasdaq Market Center and Sponsored Participant shall comply with the Exchange's Certificate of Incorporation, Bylaws, Rules and procedures with regard to the Nasdaq Market Center, as if Sponsored Participant were an Exchange Member.

(D) Sponsored Participant shall maintain, keep current and provide to the Sponsoring Member a list of individuals authorized to obtain access to the Nasdaq Market Center on behalf of the Sponsored Participant.

(E) Sponsored Participant shall familiarize its authorized individuals with all of the Sponsored Participant's obligations under this Rule and will assure that they receive appropriate training prior to any use or access to the Nasdaq Market Center.

(F) Sponsored Participant may not permit anyone other than authorized individuals to use or obtain access to the Nasdaq Market Center.

(G) Sponsored Participant shall take reasonable security precautions to prevent unauthorized use or access to the Nasdaq Market Center, including unauthorized entry of information into the Nasdaq Market Center, or the information and data made available therein. Sponsored Participant understands and agrees that Sponsored Participant is responsible for any and all orders, trades and other messages and instructions entered, transmitted or received under identifiers, passwords and security codes of authorized individuals, and for the trading and other consequences thereof.

(H) Sponsored Participant acknowledges its responsibility to establish adequate procedures and controls that permit it to effectively monitor its employees', agents' and customers' use and access to the Nasdaq Market Center for compliance with the terms of this agreement.

(I) Sponsored Participant shall pay when due all amounts, if any, payable to Sponsoring Member, the Exchange, or any other third parties that arise from the Sponsored Participant's access to and use of the Nasdaq Market Center. Such amounts include, but are not limited to applicable exchange and regulatory fees.

(iii) The Sponsoring Member must provide the Exchange with a Notice of Consent acknowledging its responsibility for the orders, executions and actions of its Sponsored Participant at issue.

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