

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 34	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2015 - * 047	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 checked="" type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input type="checkbox"/> 19b-4(f)(6)		
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 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 checked="" type="checkbox"/>		Exhibit 3 Sent As Paper Document <input checked="" type="checkbox"/>			
Description Provide a brief description of the action (limit 250 characters, required when Initial is checked *). Relating to NASDAQ Options Market Fees and Rebates					
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 * Angela Last Name * Dunn Title * Associate General Counsel E-mail * angela.dunn@nasdaqomx.com Telephone * (215) 495-5692 Fax					
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 04/29/2015 By Edward S. Knight (Name *) Executive Vice President and General Counsel 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 “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend the Exchange’s transaction fees at Chapter XV, Section 2 entitled “NASDAQ Options Market – Fees and Rebates,” which governs pricing for NASDAQ members using the NASDAQ Options Market (“NOM”), NASDAQ’s facility for executing and routing standardized equity and index options.

While the changes proposed herein are effective upon filing, the Exchange has designated the amendments become operative on May 1, 2015.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1 and a copy of the applicable rule text 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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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.

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

a. Purpose

The Exchange proposes to amend the Penny Pilot Options³ Rebates to Add Liquidity for Customers⁴ and Professionals.⁵ Today, the Exchange pays Customers and

³ The Penny Pilot was established in March 2008 is currently expanded and extended through June 30, 2015. See Securities Exchange Act Release Nos. 57579 (March 28, 2008), 73 FR 18587 (April 4, 2008) (SR-NASDAQ-2008-026) (notice of filing and immediate effectiveness establishing Penny Pilot); 60874 (October 23, 2009), 74 FR 56682 (November 2, 2009)(SR-NASDAQ-2009-091) (notice of filing and immediate effectiveness expanding and extending Penny Pilot); 60965 (November 9, 2009), 74 FR 59292 (November 17, 2009)(SR-NASDAQ-2009-097) (notice of filing and immediate effectiveness adding seventy-five classes to Penny Pilot); 61455 (February 1, 2010), 75 FR 6239 (February 8, 2010) (SR-NASDAQ-2010-013) (notice of filing and immediate effectiveness adding seventy-five classes to Penny Pilot); 62029 (May 4, 2010), 75 FR 25895 (May 10, 2010) (SR-NASDAQ-2010-053) (notice of filing and immediate effectiveness adding seventy-five classes to Penny Pilot); 65969 (December 15, 2011), 76 FR 79268 (December 21, 2011) (SR-NASDAQ-2011-169) (notice of filing and immediate effectiveness extension and replacement of Penny Pilot); 67325 (June 29, 2012), 77 FR 40127 (July 6, 2012) (SR-NASDAQ-2012-075) (notice of filing and immediate effectiveness and extension and replacement of Penny Pilot through December 31, 2012); 68519 (December 21, 2012), 78 FR 136 (January 2, 2013) (SR-NASDAQ-2012-143) (notice of filing and immediate effectiveness and extension and replacement of Penny Pilot through June 30, 2013); 69787 (June 18, 2013), 78 FR 37858 (June 24, 2013) (SR-NASDAQ-2013-082) (notice of filing and immediate effectiveness and extension and replacement of Penny Pilot through December 31, 2013); 71105 (December 17, 2013), 78 FR 77530 (December 23, 2013) (SR-NASDAQ-2013-154) (notice of filing and immediate effectiveness and extension and replacement of Penny Pilot through June 30, 2014); 79 FR 31151 (May 23, 2014), 79 FR 31151 (May 30, 2014) (SR-NASDAQ-2014-056) (notice of filing and immediate effectiveness and extension and replacement of Penny Pilot through December 31, 2014); and 73686 (December 2, 2014), 79 FR 71477 (November 25, 2014) (SR-NASDAQ-2014-115) (notice of filing and immediate effectiveness and

Professionals a Penny Pilot Options Rebate to Add Liquidity based on the following tiered rebate structure:

	Monthly Volume	Rebate to Add Liquidity
Tier 1	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of up to 0.10% of total industry customer equity and ETF option average daily volume ("ADV") contracts per day in a month	\$0.20
Tier 2	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.10% to 0.20% of total industry customer equity and ETF option ADV contracts per day in a month	\$0.25
Tier 3	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.20% to 0.30% of total industry customer equity and ETF option ADV contracts per day in a month	\$0.42
Tier 4	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.30% to 0.40% of total industry customer equity and ETF option ADV contracts per day in a month	\$0.43
Tier	Participant adds Customer, Professional, Firm, Non-	\$0.45

extension and replacement of Penny Pilot through June 30, 2015). See also NOM Rules, Chapter VI, Section 5.

⁴ The term "Customer" or ("C") applies to any transaction that is identified by a Participant for clearing in the Customer range at The Options Clearing Corporation ("OCC") which is not for the account of broker or dealer or for the account of a "Professional" (as that term is defined in Chapter I, Section 1(a)(48)).

⁵ The term "Professional" or ("P") means any person or entity that (i) is not a broker or dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s) pursuant to Chapter I, Section 1(a)(48). All Professional orders shall be appropriately marked by Participants.

5	NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.40% of total industry customer equity and ETF option ADV contracts per day in a month, or Participant adds (1) Customer and/or Professional liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 25,000 or more contracts per day in a month, (2) the Participant has certified for the Investor Support Program set forth in Rule 7014, and (3) the Participant executed at least one order on NASDAQ's equity market	
Tier 6	Participant has Total Volume of 100,000 or more contracts per day in a month, of which 25,000 or more contracts per day in a month must be Customer and/or Professional liquidity in Penny Pilot Options	\$0.45
Tier 7	Participant has Total Volume of 150,000 or more contracts per day in a month, of which 50,000 or more contracts per day in a month must be Customer and/or Professional liquidity in Penny Pilot Options	\$0.47
Tier 8	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 0.75% or more of total industry customer equity and ETF option ADV contracts per day in a month.	\$0.48 (Customer) and \$0.47 (Professional)

The Exchange is proposing to amend Tier 5 of the Customer and Professional Penny Pilot Options Rebate to Add Liquidity which currently pays a \$0.45 per contract rebate if Participant adds Customer, Professional, Firm,⁶ Non-NOM Market Maker⁷ and/or Broker-Dealer⁸ liquidity in Penny Pilot Options and/or Non-Penny Pilot Options

⁶ The term “Firm” or (“F”) applies to any transaction that is identified by a Participant for clearing in the Firm range at OCC.

⁷ The term “NOM Market Maker” or (“M”) is a Participant that has registered as a Market Maker on NOM pursuant to Chapter VII, Section 2, and must also remain in good standing pursuant to Chapter VII, Section 4. In order to receive NOM Market Maker pricing in all securities, the Participant must be registered as a NOM Market Maker in at least one security.

⁸ The term “Broker-Dealer” or (“B”) applies to any transaction which is not subject to any of the other transaction fees applicable within a particular category.

above 0.40% of total industry customer equity and ETF option ADV contracts per day in a month, or Participant adds (1) Customer and/or Professional liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 25,000 or more contracts per day in a month, (2) the Participant has certified for the Investor Support Program set forth in Rule 7014, and (3) the Participant executed at least one order on NASDAQ's equity market. The Exchange proposes to continue to pay a \$0.45 per contract rebate, but amend the qualifier to apply to a Participant that adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.40% *to 0.75%* of total industry customer equity and ETF option ADV contracts per day in a month. The Exchange is proposing this amendment to distinguish the Tier 5 qualification from the qualification for Tier 8 of the Penny Pilot Rebates for Customers and Professionals.

Additionally, the Exchange is proposing to amend Tier 8 of the Customer and Professional Penny Pilot Options Rebate to Add Liquidity which currently pays a \$0.48 per contract rebate to Customers and a \$0.47 per contract rebate to Professionals if Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 0.75% or more of total industry customer equity and ETF option ADV contracts per day in a month. The Exchange proposes to amend the rebate to \$0.48 per contract for Professionals, thereby increasing the Professional Tier 8 rebate from \$0.47 to \$0.48 per contract if the Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options *above 0.75%* or more of total industry customer equity and ETF option ADV contracts

per day in a month *or Participant adds (1) Customer and/or Professional liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 30,000 or more contracts per day in a month, (2) the Participant has certified for the Investor Support Program⁹ set forth in Rule 7014, and (3) the Participant qualifies for rebates under the Qualified Market Maker (“QMM”) Program¹⁰ set forth in Rule 7014.* Customers will continue to receive the \$0.48 per contract rebate. The Exchange is offering Participants additional avenues to qualify for the Tier 8 Customer and Professional Penny Pilot Options Rebate to Add Liquidity in different ways with this proposed rule change.

With respect to Tier 8, Participants that qualify for Tier 8 will continue to be eligible to be assessed a Professional, Firm, Non-NOM Market Maker, NOM Market Maker or Broker-Dealer Fee for Removing Liquidity in Penny Pilot Options of \$0.48 per contract and a Customer Fee for Removing Liquidity in Penny Pilot Options of \$0.47 per

⁹ For a detailed description of the ISP, see Securities Exchange Act Release No. 63270 (November 8, 2010), 75 FR 69489 (November 12, 2010) (NASDAQ-2010-141) (notice of filing and immediate effectiveness) (the “ISP Filing”). See also Securities Exchange Act Release Nos. 63414 (December 2, 2010), 75 FR 76505 (December 8, 2010) (NASDAQ-2010-153) (notice of filing and immediate effectiveness); and 63628 (January 3, 2011), 76 FR 1201 (January 7, 2011) (NASDAQ-2010-154) (notice of filing and immediate effectiveness).

¹⁰ A QMM is a NASDAQ member that makes a significant contribution to market quality by providing liquidity at the national best bid and offer (“NBBO”) in a large number of stocks for a significant portion of the day. In addition, the NASDAQ equity member must avoid imposing the burdens on NASDAQ and its market participants that may be associated with excessive rates of entry of orders away from the inside and/or order cancellation. The designation “QMM” reflects the QMM’s commitment to provide meaningful and consistent support to market quality and price discovery by extensive quoting at the NBBO in a large number of securities. In return for its contributions, certain financial benefits are provided to a QMM with respect to a particular MPID (a “QMM MPID”), as described under Rule 7014(e).

contract.¹¹ Also, with respect to Tier 8, Participants that add Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non- Penny Pilot Options of 1.25% or more of total industry customer equity and ETF option ADV contracts per day in a month will receive an additional \$0.02 per contract Penny Pilot Options Customer Rebate to Add Liquidity for each transaction which adds liquidity in Penny Pilot Options in that month.¹²

The Exchange is not amending the Penny Pilot Options Rebate to Add Liquidity for any other market participant.

Finally, the Exchange is proposing to amend note “a” to attribute it to Tier 8 and amend the text of note “a” to add Tier 8 as well. The Exchange’s proposal to qualify for Tier 8 will include certification in the Investor Support Program which is further explained in note “a.” The Exchange is also proposing to remove the reference to note “b” in Tier 8 as the definition of Total Volume is not utilized in Tier 8 and this reference is unnecessary.

b. Statutory Basis

NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,¹³ in general, and with Section 6(b)(4) and 6(b)(5) of the Act,¹⁴ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system

¹¹ See note “d” in Chapter XV, Section 2.

¹² See note “e” in Chapter XV, Section 2.

¹³ 15 U.S.C. 78f.

¹⁴ 15 U.S.C. 78f(b)(4) and (5).

which NASDAQ operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange's proposal to amend the Tier 5 Customer and Professional Penny Pilot Options Rebate to Add Liquidity is reasonable because the Exchange seeks to cap the current qualifying volume for the Tier 5 rebate to coincide with the amendment to the Tier 8 rebate, which would apply to Participants with similar volume over 0.75% of total industry customer equity and ETF option ADV contracts per day in a month. The Exchange desires to continue to encourage Participants to add more liquidity on NOM. The Tier 5 rebate requires Participants to add Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity to obtain the \$0.45 per contract rebate. The Exchange will continue to require Participants to add such liquidity above 0.40% of total industry customer equity and ETF option ADV contracts per day in a month. The Exchange is adding the qualifier that the liquidity for this Tier 5 is above 0.40% to 0.75% of total industry customer equity and ETF option ADV contracts per day in a month.¹⁵ The Exchange desires to incentivize Participants to continue to add liquidity to NOM.

The Exchange's proposal to amend the Tier 5 Customer and Professional Penny Pilot Options Rebate to Add Liquidity is equitable and not unfairly discriminatory because all eligible Participants that qualify for the Tier 5 Customer and Professional Penny Pilot Options Rebate to Add Liquidity will be uniformly paid the rebate. The Exchange will continue to pay all Participants a \$0.45 per contract rebate that qualify for

¹⁵ The Tier 8 Customer and Professional Penny Pilot Options Rebate to Add Liquidity has a qualifier with volume above 0.75% or more of total industry customer equity and ETF option ADV contracts per day in a month. Any volume more than 0.75% would therefore qualify for the Tier 8 Customer or Professional Penny Pilot Options Rebate to Add Liquidity.

the Tier 5 rebate based on the new tier qualifications. All Participants are eligible for the Tier 5 rebate, provided they transact the requisite volume.

The Exchange's proposal to amend the Tier 8 Customer and Professional Penny Pilot Options Rebate to Add Liquidity is reasonable because the Exchange seeks to first adjust the volume level for liquidity to *above* 0.75% to account for the modification to the Tier 5 volume which is up to 0.75% of total industry customer equity and ETF option ADV contracts per day in a month. Any similar volume more than 0.75% would therefore qualify for the Tier 8 Customer or Professional Penny Pilot Options Rebate to Add Liquidity.

The Exchange's proposal to expand the qualifier for the Tier 8 Customer or Professional Rebate to Add Liquidity to offer the rebate to Participants that add (1) Customer and/or Professional liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 30,000 or more contracts per day in a month, (2) the Participant has certified for the Investor Support Program set forth in Rule 7014, and (3) the Participant qualifies for rebates under the Qualified Market Maker ("QMM") Program set forth in Rule 7014 will provide additional opportunities for Participants to qualify for this rebate. The Exchange offers similar incentives such as these today to qualify for the Tier 5 rebate. The Exchange proposes to similarly incentivize Participants to add even more Customer and/or Professional liquidity in Penny Pilot Options and/or Non-Penny Pilot Options (30,000 vs. 25,000 contracts), and also continues to offer opportunities to participate in the equities market as a means of qualifying for the Tier 8 rebate.

Today, Participants that add Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot

Options of 0.75% or more of total industry customer equity and ETF option ADV contracts per day in a month are paid a \$0.48 per Customer Rebate to Add Liquidity in Penny Pilot Options and a \$0.47 per contract Professional Rebate to Add Liquidity in Penny Pilot Options. This proposal would provide Participants with additional opportunities to earn the same Customer rebate and an increased Professional rebate of \$0.48 per contract (increase from today's \$0.47 per rebate). The Exchange believes that offering these opportunities to earn the Tier 8 rebate will encourage Participants to add liquidity to NOM. It is also reasonable to pay the same Tier 8 rebate of \$0.48 per contract for Customer and Professionals as the qualifiers for this rebate are the same.¹⁶

The Exchange's proposal to amend the Tier 8 Customer and Professional Penny Pilot Options Rebate to Add Liquidity is equitable and not unfairly discriminatory because all eligible Participants that qualify for the Tier 8 Customer and Professional Penny Pilot Options Rebate to Add Liquidity will be uniformly paid the rebate. The Exchange will pay Customers and Professionals alike a \$0.48 per contract rebate that qualify for the Tier 8 rebate based on the existing and new tier qualifications. Further, all Participants may qualify to be eligible for these rebates, provided they transact the requisite amount of liquidity. Customer liquidity offers unique benefits to the market which benefits all market participants. Customer liquidity benefits all market participants by providing more trading opportunities, which attracts market makers. An increase in

¹⁶ Participants that add Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non- Penny Pilot Options of 1.25% or more of total industry customer equity and ETF option ADV contracts per day in a month will continue to receive an additional \$0.02 per contract Penny Pilot Options Customer Rebate to Add Liquidity for each transaction which adds liquidity in Penny Pilot Options in that month.

the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants. The Exchange believes that encouraging Participants to add Professional liquidity creates competition among options exchanges because the Exchange believes that the rebates may cause market participants to select NOM as a venue to send Professional order flow.

Finally, the Exchange believes that the Exchange's proposal to amend note "a" to attribute it to Tier 8 and amend the text of note "a" to add Tier 8 as well is reasonable, equitable and not unfairly discriminatory because the Exchange desires to further explain what qualifies for inclusion in the Investor Support Program and provide Participants with clarity as to the fees. The Exchange's proposal to remove the reference to note "b" in Tier 8 is reasonable, equitable and not unfairly discriminatory as the definition of Total Volume is not utilized in Tier 8 and this reference is unnecessary.

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

NASDAQ does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that amending the Tier 5 rebate to cap the volume at 0.75% of total industry customer equity and ETF option ADV contracts per day in a month and amending Tier 8 for volume above 0.75% of total industry customer equity and ETF option ADV contracts per day in a month will clarify which volume tier a Participant qualifies for when adding Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options.

Additionally, the Exchange is proposing to add additional qualifiers for the Tier 8 rebate. Both the Tier 5 and 8 rebates permit Participants to add all types of market

participant liquidity to qualify for the rebate. This proposal does not create an undue burden on competition, rather the proposal will incentivize market participants to add greater liquidity on NOM. Customer liquidity offers unique benefits to the market which benefits all market participants. Customer liquidity benefits all market participants by providing more trading opportunities, which attract Specialists and Market Makers. An increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants. The Exchange believes that encouraging Participants to add Professional liquidity creates competition among options exchanges because the Exchange believes that the rebates may cause market participants to select NOM as a venue to send Professional order flow. The Exchange is offering to pay increased rebates in exchange for additional Professional order flow being executed at the Exchange, which additional order flow should benefit other market participants. Further, all Participants are eligible for the Customer and Professional rebates, provided they transact the requisite volume.

The Exchange operates in a highly competitive market in which many sophisticated and knowledgeable market participants can readily and do send order flow to competing exchanges if they deem fee levels or rebate incentives at a particular exchange to be excessive or inadequate. These market forces support the Exchange belief that the proposed rebate structure and tiers proposed herein are competitive with rebates and tiers in place on other exchanges. The Exchange believes that this competitive marketplace continues to impact the rebates present on the Exchange today and substantially influences the proposals set forth above.

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)

Pursuant to Section 19(b)(3)(A)(ii) of the Act,¹⁷ NASDAQ has designated this proposal as establishing or changing a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

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

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

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 Exchange's rule text.

¹⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

Exhibit 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-NASDAQ-2015-047)

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to NASDAQ Options Market Fees and Rebates

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 29, 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 the Exchange’s transaction fees at Chapter XV, Section 2 entitled “NASDAQ Options Market – Fees and Rebates,” which governs pricing for NASDAQ members using the NASDAQ Options Market (“NOM”), NASDAQ’s facility for executing and routing standardized equity and index options.

While the changes proposed herein are effective upon filing, the Exchange has designated the amendments become operative on May 1, 2015.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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.

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

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

1. Purpose

The Exchange proposes to amend the Penny Pilot Options³ Rebates to Add Liquidity for Customers⁴ and Professionals.⁵ Today, the Exchange pays Customers and

³ The Penny Pilot was established in March 2008 is currently expanded and extended through June 30, 2015. See Securities Exchange Act Release Nos. 57579 (March 28, 2008), 73 FR 18587 (April 4, 2008) (SR-NASDAQ-2008-026) (notice of filing and immediate effectiveness establishing Penny Pilot); 60874 (October 23, 2009), 74 FR 56682 (November 2, 2009)(SR-NASDAQ-2009-091) (notice of filing and immediate effectiveness expanding and extending Penny Pilot); 60965 (November 9, 2009), 74 FR 59292 (November 17, 2009)(SR-NASDAQ-2009-097) (notice of filing and immediate effectiveness adding seventy-five classes to Penny Pilot); 61455 (February 1, 2010), 75 FR 6239 (February 8, 2010) (SR-NASDAQ-2010-013) (notice of filing and immediate effectiveness adding seventy-five classes to Penny Pilot); 62029 (May 4, 2010), 75 FR 25895 (May 10, 2010) (SR-NASDAQ-2010-053) (notice of filing and immediate effectiveness adding seventy-five classes to Penny Pilot); 65969 (December 15, 2011), 76 FR 79268 (December 21, 2011) (SR-NASDAQ-2011-169) (notice of filing and immediate effectiveness extension and replacement of Penny Pilot); 67325 (June 29, 2012), 77 FR 40127 (July 6, 2012) (SR-NASDAQ-2012-075) (notice of filing and immediate effectiveness and extension and

Professionals a Penny Pilot Options Rebate to Add Liquidity based on the following tiered rebate structure:

	Monthly Volume	Rebate to Add Liquidity
Tier 1	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of up to 0.10% of total industry customer equity and ETF option average daily volume ("ADV") contracts per day in a month	\$0.20
Tier 2	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.10% to 0.20% of total industry customer equity and ETF option ADV contracts per day in a month	\$0.25
Tier	Participant adds Customer, Professional, Firm, Non-	\$0.42

replacement of Penny Pilot through December 31, 2012); 68519 (December 21, 2012), 78 FR 136 (January 2, 2013) (SR-NASDAQ-2012-143) (notice of filing and immediate effectiveness and extension and replacement of Penny Pilot through June 30, 2013); 69787 (June 18, 2013), 78 FR 37858 (June 24, 2013) (SR-NASDAQ-2013-082) (notice of filing and immediate effectiveness and extension and replacement of Penny Pilot through December 31, 2013); 71105 (December 17, 2013), 78 FR 77530 (December 23, 2013) (SR-NASDAQ-2013-154) (notice of filing and immediate effectiveness and extension and replacement of Penny Pilot through June 30, 2014); 79 FR 31151 (May 23, 2014), 79 FR 31151 (May 30, 2014) (SR-NASDAQ-2014-056) (notice of filing and immediate effectiveness and extension and replacement of Penny Pilot through December 31, 2014); and 73686 (December 2, 2014), 79 FR 71477 (November 25, 2014) (SR-NASDAQ-2014-115) (notice of filing and immediate effectiveness and extension and replacement of Penny Pilot through June 30, 2015). See also NOM Rules, Chapter VI, Section 5.

⁴ The term "Customer" or ("C") applies to any transaction that is identified by a Participant for clearing in the Customer range at The Options Clearing Corporation ("OCC") which is not for the account of broker or dealer or for the account of a "Professional" (as that term is defined in Chapter I, Section 1(a)(48)).

⁵ The term "Professional" or ("P") means any person or entity that (i) is not a broker or dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s) pursuant to Chapter I, Section 1(a)(48). All Professional orders shall be appropriately marked by Participants.

3	NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.20% to 0.30% of total industry customer equity and ETF option ADV contracts per day in a month	
Tier	Participant adds Customer, Professional, Firm, Non-	\$0.43
4	NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.30% to 0.40% of total industry customer equity and ETF option ADV contracts per day in a month	
Tier	Participant adds Customer, Professional, Firm, Non-	\$0.45
5	NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.40% of total industry customer equity and ETF option ADV contracts per day in a month, or Participant adds (1) Customer and/or Professional liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 25,000 or more contracts per day in a month, (2) the Participant has certified for the Investor Support Program set forth in Rule 7014, and (3) the Participant executed at least one order on NASDAQ's equity market	
Tier	Participant has Total Volume of 100,000 or more	\$0.45
6	contracts per day in a month, of which 25,000 or more contracts per day in a month must be Customer and/or Professional liquidity in Penny Pilot Options	
Tier	Participant has Total Volume of 150,000 or more	\$0.47
7	contracts per day in a month, of which 50,000 or more contracts per day in a month must be Customer and/or Professional liquidity in Penny Pilot Options	
Tier	Participant adds Customer, Professional, Firm, Non-	\$0.48
8	NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 0.75% or more of total industry customer equity and ETF option ADV contracts per day in a month.	(Customer) and \$0.47 (Professional)

The Exchange is proposing to amend Tier 5 of the Customer and Professional Penny Pilot Options Rebate to Add Liquidity which currently pays a \$0.45 per contract

rebate if Participant adds Customer, Professional, Firm,⁶ Non-NOM Market Maker⁷ and/or Broker-Dealer⁸ liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.40% of total industry customer equity and ETF option ADV contracts per day in a month, or Participant adds (1) Customer and/or Professional liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 25,000 or more contracts per day in a month, (2) the Participant has certified for the Investor Support Program set forth in Rule 7014, and (3) the Participant executed at least one order on NASDAQ's equity market. The Exchange proposes to continue to pay a \$0.45 per contract rebate, but amend the qualifier to apply to a Participant that adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.40% to 0.75% of total industry customer equity and ETF option ADV contracts per day in a month. The Exchange is proposing this amendment to distinguish the Tier 5 qualification from the qualification for Tier 8 of the Penny Pilot Rebates for Customers and Professionals.

Additionally, the Exchange is proposing to amend Tier 8 of the Customer and Professional Penny Pilot Options Rebate to Add Liquidity which currently pays a \$0.48 per contract rebate to Customers and a \$0.47 per contract rebate to Professionals if Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-

⁶ The term "Firm" or ("F") applies to any transaction that is identified by a Participant for clearing in the Firm range at OCC.

⁷ The term "NOM Market Maker" or ("M") is a Participant that has registered as a Market Maker on NOM pursuant to Chapter VII, Section 2, and must also remain in good standing pursuant to Chapter VII, Section 4. In order to receive NOM Market Maker pricing in all securities, the Participant must be registered as a NOM Market Maker in at least one security.

⁸ The term "Broker-Dealer" or ("B") applies to any transaction which is not subject to any of the other transaction fees applicable within a particular category.

Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 0.75% or more of total industry customer equity and ETF option ADV contracts per day in a month. The Exchange proposes to amend the rebate to \$0.48 per contract for Professionals, thereby increasing the Professional Tier 8 rebate from \$0.47 to \$0.48 per contract if the Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options *above* 0.75% or more of total industry customer equity and ETF option ADV contracts per day in a month *or Participant adds (1) Customer and/or Professional liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 30,000 or more contracts per day in a month, (2) the Participant has certified for the Investor Support Program⁹ set forth in Rule 7014, and (3) the Participant qualifies for rebates under the Qualified Market Maker (“QMM”) Program¹⁰ set forth in Rule 7014.* Customers will continue to receive the \$0.48 per contract rebate. The Exchange is offering Participants additional

⁹ For a detailed description of the ISP, see Securities Exchange Act Release No. 63270 (November 8, 2010), 75 FR 69489 (November 12, 2010) (NASDAQ-2010-141) (notice of filing and immediate effectiveness) (the “ISP Filing”). See also Securities Exchange Act Release Nos. 63414 (December 2, 2010), 75 FR 76505 (December 8, 2010) (NASDAQ-2010-153) (notice of filing and immediate effectiveness); and 63628 (January 3, 2011), 76 FR 1201 (January 7, 2011) (NASDAQ-2010-154) (notice of filing and immediate effectiveness).

¹⁰ A QMM is a NASDAQ member that makes a significant contribution to market quality by providing liquidity at the national best bid and offer (“NBBO”) in a large number of stocks for a significant portion of the day. In addition, the NASDAQ equity member must avoid imposing the burdens on NASDAQ and its market participants that may be associated with excessive rates of entry of orders away from the inside and/or order cancellation. The designation “QMM” reflects the QMM’s commitment to provide meaningful and consistent support to market quality and price discovery by extensive quoting at the NBBO in a large number of securities. In return for its contributions, certain financial benefits are provided to a QMM with respect to a particular MPID (a “QMM MPID”), as described under Rule 7014(e).

avenues to qualify for the Tier 8 Customer and Professional Penny Pilot Options Rebate to Add Liquidity in different ways with this proposed rule change.

With respect to Tier 8, Participants that qualify for Tier 8 will continue to be eligible to be assessed a Professional, Firm, Non-NOM Market Maker, NOM Market Maker or Broker-Dealer Fee for Removing Liquidity in Penny Pilot Options of \$0.48 per contract and a Customer Fee for Removing Liquidity in Penny Pilot Options of \$0.47 per contract.¹¹ Also, with respect to Tier 8, Participants that add Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non- Penny Pilot Options of 1.25% or more of total industry customer equity and ETF option ADV contracts per day in a month will receive an additional \$0.02 per contract Penny Pilot Options Customer Rebate to Add Liquidity for each transaction which adds liquidity in Penny Pilot Options in that month.¹²

The Exchange is not amending the Penny Pilot Options Rebate to Add Liquidity for any other market participant.

Finally, the Exchange is proposing to amend note “a” to attribute it to Tier 8 and amend the text of note “a” to add Tier 8 as well. The Exchange’s proposal to qualify for Tier 8 will include certification in the Investor Support Program which is further explained in note “a.” The Exchange is also proposing to remove the reference to note “b” in Tier 8 as the definition of Total Volume is not utilized in Tier 8 and this reference is unnecessary.

¹¹ See note “d” in Chapter XV, Section 2.

¹² See note “e” in Chapter XV, Section 2.

2. Statutory Basis

NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,¹³ in general, and with Section 6(b)(4) and 6(b)(5) of the Act,¹⁴ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which NASDAQ operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange's proposal to amend the Tier 5 Customer and Professional Penny Pilot Options Rebate to Add Liquidity is reasonable because the Exchange seeks to cap the current qualifying volume for the Tier 5 rebate to coincide with the amendment to the Tier 8 rebate, which would apply to Participants with similar volume over 0.75% of total industry customer equity and ETF option ADV contracts per day in a month. The Exchange desires to continue to encourage Participants to add more liquidity on NOM. The Tier 5 rebate requires Participants to add Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity to obtain the \$0.45 per contract rebate. The Exchange will continue to require Participants to add such liquidity above 0.40% of total industry customer equity and ETF option ADV contracts per day in a month. The Exchange is adding the qualifier that the liquidity for this Tier 5 is above 0.40% to 0.75% of total industry customer equity and ETF option ADV contracts per day in a month.¹⁵ The Exchange desires to incentivize Participants to continue to add liquidity to NOM.

¹³ 15 U.S.C. 78f.

¹⁴ 15 U.S.C. 78f(b)(4) and (5).

¹⁵ The Tier 8 Customer and Professional Penny Pilot Options Rebate to Add

The Exchange's proposal to amend the Tier 5 Customer and Professional Penny Pilot Options Rebate to Add Liquidity is equitable and not unfairly discriminatory because all eligible Participants that qualify for the Tier 5 Customer and Professional Penny Pilot Options Rebate to Add Liquidity will be uniformly paid the rebate. The Exchange will continue to pay all Participants a \$0.45 per contract rebate that qualify for the Tier 5 rebate based on the new tier qualifications. All Participants are eligible for the Tier 5 rebate, provided they transact the requisite volume.

The Exchange's proposal to amend the Tier 8 Customer and Professional Penny Pilot Options Rebate to Add Liquidity is reasonable because the Exchange seeks to first adjust the volume level for liquidity to *above 0.75%* to account for the modification to the Tier 5 volume which is up to 0.75% of total industry customer equity and ETF option ADV contracts per day in a month. Any similar volume more than 0.75% would therefore qualify for the Tier 8 Customer or Professional Penny Pilot Options Rebate to Add Liquidity.

The Exchange's proposal to expand the qualifier for the Tier 8 Customer or Professional Rebate to Add Liquidity to offer the rebate to Participants that add (1) Customer and/or Professional liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 30,000 or more contracts per day in a month, (2) the Participant has certified for the Investor Support Program set forth in Rule 7014, and (3) the Participant qualifies for rebates under the Qualified Market Maker ("QMM") Program set forth in Rule 7014 will provide additional opportunities for Participants to qualify for this rebate. The

Liquidity has a qualifier with volume above 0.75% or more of total industry customer equity and ETF option ADV contracts per day in a month. Any volume more than 0.75% would therefore qualify for the Tier 8 Customer or Professional Penny Pilot Options Rebate to Add Liquidity.

Exchange offers similar incentives such as these today to qualify for the Tier 5 rebate. The Exchange proposes to similarly incentivize Participants to add even more Customer and/or Professional liquidity in Penny Pilot Options and/or Non-Penny Pilot Options (30,000 vs. 25,000 contracts), and also continues to offer opportunities to participate in the equities market as a means of qualifying for the Tier 8 rebate.

Today, Participants that add Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 0.75% or more of total industry customer equity and ETF option ADV contracts per day in a month are paid a \$0.48 per Customer Rebate to Add Liquidity in Penny Pilot Options and a \$0.47 per contract Professional Rebate to Add Liquidity in Penny Pilot Options. This proposal would provide Participants with additional opportunities to earn the same Customer rebate and an increased Professional rebate of \$0.48 per contract (increase from today's \$0.47 per rebate). The Exchange believes that offering these opportunities to earn the Tier 8 rebate will encourage Participants to add liquidity to NOM. It is also reasonable to pay the same Tier 8 rebate of \$0.48 per contract for Customer and Professionals as the qualifiers for this rebate are the same.¹⁶

The Exchange's proposal to amend the Tier 8 Customer and Professional Penny Pilot Options Rebate to Add Liquidity is equitable and not unfairly discriminatory because all eligible Participants that qualify for the Tier 8 Customer and Professional Penny Pilot Options Rebate to Add Liquidity will be uniformly paid the rebate. The

¹⁶ Participants that add Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 1.25% or more of total industry customer equity and ETF option ADV contracts per day in a month will continue to receive an additional \$0.02 per contract Penny Pilot Options Customer Rebate to Add Liquidity for each transaction which adds liquidity in Penny Pilot Options in that month.

Exchange will pay Customers and Professionals alike a \$0.48 per contract rebate that qualify for the Tier 8 rebate based on the existing and new tier qualifications. Further, all Participants may qualify to be eligible for these rebates, provided they transact the requisite amount of liquidity. Customer liquidity offers unique benefits to the market which benefits all market participants. Customer liquidity benefits all market participants by providing more trading opportunities, which attracts market makers. An increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants. The Exchange believes that encouraging Participants to add Professional liquidity creates competition among options exchanges because the Exchange believes that the rebates may cause market participants to select NOM as a venue to send Professional order flow.

Finally, the Exchange believes that the Exchange's proposal to amend note "a" to attribute it to Tier 8 and amend the text of note "a" to add Tier 8 as well is reasonable, equitable and not unfairly discriminatory because the Exchange desires to further explain what qualifies for inclusion in the Investor Support Program and provide Participants with clarity as to the fees. The Exchange's proposal to remove the reference to note "b" in Tier 8 is reasonable, equitable and not unfairly discriminatory as the definition of Total Volume is not utilized in Tier 8 and this reference is unnecessary.

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

NASDAQ does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that amending the Tier 5 rebate to cap the volume at 0.75% of total industry customer equity and ETF option ADV contracts per day in a month and

amending Tier 8 for volume above 0.75% of total industry customer equity and ETF option ADV contracts per day in a month will clarify which volume tier a Participant qualifies for when adding Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options.

Additionally, the Exchange is proposing to add additional qualifiers for the Tier 8 rebate. Both the Tier 5 and 8 rebates permit Participants to add all types of market participant liquidity to qualify for the rebate. This proposal does not create an undue burden on competition, rather the proposal will incentivize market participants to add greater liquidity on NOM. Customer liquidity offers unique benefits to the market which benefits all market participants. Customer liquidity benefits all market participants by providing more trading opportunities, which attract Specialists and Market Makers. An increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants. The Exchange believes that encouraging Participants to add Professional liquidity creates competition among options exchanges because the Exchange believes that the rebates may cause market participants to select NOM as a venue to send Professional order flow. The Exchange is offering to pay increased rebates in exchange for additional Professional order flow being executed at the Exchange, which additional order flow should benefit other market participants. Further, all Participants are eligible for the Customer and Professional rebates, provided they transact the requisite volume.

The Exchange operates in a highly competitive market in which many sophisticated and knowledgeable market participants can readily and do send order flow to competing exchanges if they deem fee levels or rebate incentives at a particular

exchange to be excessive or inadequate. These market forces support the Exchange belief that the proposed rebate structure and tiers proposed herein are competitive with rebates and tiers in place on other exchanges. The Exchange believes that this competitive marketplace continues to impact the rebates present on the Exchange today and substantially influences the proposals set forth above.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.¹⁷ At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

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:

¹⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

- 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-2015-047 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-2015-047. 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-2015-047 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.¹⁸

Kevin M. O'Neill
Deputy Secretary

¹⁸ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

New text is underlined and deleted text is in brackets.

Options Rules

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Chapter XV Options Pricing

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Sec. 2 NASDAQ Options Market—Fees and Rebates

The following charges shall apply to the use of the order execution and routing services of the NASDAQ Options Market for all securities.

(1) Fees for Execution of Contracts on the NASDAQ Options Market

	Fees and Rebates (per executed contract)					
	Customer	Professional	Firm Non-NOM Market Maker	NOM Market Maker	Broker- Dealer	
Penny Pilot Options:						
Rebate to Add Liquidity	***	***	\$0.10	\$0.10	#	\$0.10
Fee for Removing Liquidity	\$0.48	\$0.50 ^d	\$0.50 ^d	\$0.50 ^d	\$0.50 ^d	\$0.50 ^d
Non-Penny Pilot Options (including NDX¹):						
Fee for Adding Liquidity	N/A	\$0.45	\$0.45	\$0.45	\$0.35	\$0.45
Fee for Removing Liquidity	\$0.85	\$0.89	\$0.89	\$0.89	\$0.89	\$0.89
Rebate to Add Liquidity	\$0.84 ³	N/A	N/A	N/A	N/A	
SOX, HGX and OSX:						
Fee for Adding Liquidity	\$0.40	\$0.89	\$0.89	\$0.89	\$0.40	\$0.89
Fee for Removing	\$0.40	\$0.89	\$0.89	\$0.89	\$0.40	\$0.89

Liquidity

¹For transactions in NDX, a surcharge of \$0.15 per contract will be added to the Fee for Adding Liquidity and the Fee for Removing Liquidity in Non-Penny Pilot Options, except for a Customer who will not be assessed a surcharge.

³A Participant that qualifies for Penny Pilot Options Customer or Professional Rebate to Add Liquidity Tiers 7 or 8 in a given month will receive an additional \$0.01 per contract Non-Penny Pilot Options Customer Rebate to Add Liquidity for each transaction which adds liquidity in Non-Penny Pilot Options in that month.

*** The Customer and Professional Rebate to Add Liquidity in Penny Pilot Options will be paid as noted below. To determine the applicable percentage of total industry customer equity and ETF option average daily volume, the Participant's Penny Pilot and Non-Penny Pilot Customer and/or Professional volume that adds liquidity will be included.

Monthly Volume	Rebate to Add Liquidity
Tier 1 Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of up to 0.10% of total industry customer equity and ETF option average daily volume ("ADV") contracts per day in a month	\$0.20
Tier 2 Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.10% to 0.20% of total industry customer equity and ETF option ADV contracts per day in a month	\$0.25
Tier 3 Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.20% to 0.30% of total industry customer equity and ETF option ADV contracts per day in a month	\$0.42
Tier 4 Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.30% to 0.40% of total industry customer equity and ETF option ADV contracts per day in a month	\$0.43
Tier 5^a Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.40% <u>to 0.75%</u> of total industry customer equity and ETF option ADV contracts per day in a month, or Participant adds (1) Customer and/or Professional liquidity in Penny	\$0.45

Pilot Options and/or Non-Penny Pilot Options of 25,000 or more contracts per day in a month, (2) the Participant has certified for the Investor Support Program set forth in Rule 7014, and (3) the Participant executed at least one order on NASDAQ's equity market

- Tier 6^b** Participant has Total Volume of 100,000 or more contracts per day in a month, of which 25,000 or more contracts per day in a month must be Customer and/or Professional liquidity in Penny Pilot Options \$0.45
- Tier 7^{b,d}** Participant has Total Volume of 150,000 or more contracts per day in a month, of which 50,000 or more contracts per day in a month must be Customer and/or Professional liquidity in Penny Pilot Options \$0.47
- Tier 8^{a,[b],d}** Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options [of] above 0.75% or more of total industry customer equity and ETF option ADV contracts per day in a month or Participant adds (1) Customer and/or Professional liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 30,000 or more contracts per day in a month, (2) the Participant has certified for the Investor Support Program set forth in Rule 7014, and (3) the Participant qualifies for rebates under the Qualified Market Maker ("QMM") Program set forth in Rule 7014. \$0.48^c [(Customer) and \$0.47 (Professional)]

^aFor purposes of Tiers 5 and 8, the Exchange will allow a NOM Participant to qualify for the rebate if a NASDAQ member has certified for the Investor Support Program and executed at least one order on NASDAQ's equity market.

^bFor purposes of Tiers 6[, 7] and 7[8], "Total Volume" shall be defined as Customer, Professional, Firm, Broker-Dealer, Non-NOM Market Maker and NOM Market Maker volume in Penny Pilot Options and/or Non-Penny Pilot Options which either adds or removes liquidity on NOM.

^dParticipants that qualify for Customer or Professional Rebate to Add Liquidity Tiers 7 or 8 in a given month will be assessed a Professional, Firm, Non-NOM Market Maker, NOM Market Maker or Broker-Dealer Fee for Removing Liquidity in Penny Pilot Options of \$0.48 per contract and a Customer Fee for Removing Liquidity in Penny Pilot Options of \$0.47 per contract.

^cParticipants that add Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 1.25% or more of total industry customer equity and ETF option ADV contracts per day in a month will receive an additional \$0.02 per contract Penny Pilot Options Customer Rebate to Add Liquidity for each transaction which adds liquidity in Penny Pilot Options in that month.

* * * * *

(2) – (5) No Change.

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