Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010
Section 806(e)(1) *
Section 806(e)(2) *

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 3C(b)(2) *

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

Filing by  NASDAQ Stock Market
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * Amendment * Withdrawal  Section 19(b)(2) * Section 19(b)(3)(A) * Section 19(b)(3)(B) *
✓       □             □           □               □               □

Pilot □ Extension of Time Period for Commission Action * Date Expires *
                          □

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010
Section 806(e)(1) * Section 806(e)(2) *

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 3C(b)(2) *

Description

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

Amend Chapter XV Section 2 entitled 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@nasdaq.com
Telephone * (215) 496-5692  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.

    Edward S. Knight
    Executive Vice President and General Counsel

Date 07/31/2015

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.
<table>
<thead>
<tr>
<th>Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *</th>
</tr>
</thead>
<tbody>
<tr>
<td>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)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Exhibit 1 - Notice of Proposed Rule Change *</th>
</tr>
</thead>
<tbody>
<tr>
<td>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)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Exhibit 3 - Form, Report, or Questionnaire</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Exhibit 4 - Marked Copies</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Exhibit 5 - Proposed Rule Text</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Partial Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
</tr>
</tbody>
</table>
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 such changes to become operative on August 3, 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 1, 2015. 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.

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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 expand eligibility for one of the incentives under the Penny Pilot Options Rebates to Add Liquidity. The Penny Pilot was established in March 2008 and has since been expanded and extended through June 30, 2016.\(^3\) Today,

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the Exchange pays Customers\(^4\) and Professionals\(^5\) a Penny Pilot Options Rebate to Add Liquidity based on the following tiered rebate structure:

<table>
<thead>
<tr>
<th>Monthly Volume</th>
<th>Rebate to Add Liquidity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>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</td>
</tr>
<tr>
<td>Tier 2</td>
<td>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</td>
</tr>
<tr>
<td>Tier 3</td>
<td>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</td>
</tr>
<tr>
<td>Tier 4</td>
<td>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</td>
</tr>
</tbody>
</table>


\(^4\) The term “Customer” refers to a customer in a transaction that is marked by a Participant in the Customer range for clearing purposes at The Options Clearing Corporation (“OCC”). Such a transaction is not for the account of a broker, dealer or “Professional” (see next footnote).

\(^5\) The term “Professional” 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), See Chapter I, Section 1(a)(48). All Professional orders must be appropriately marked by Participants.
and ETF option ADV contracts per day in a month

**Tier 5**
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% to 0.75% 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

$0.45

**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 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

The Exchange is proposing to expand eligibility for one of the incentives applicable to Tier 8 Customer Penny Pilot Options Rebate to Add Liquidity. The Tier 8 Customer and Professional Penny Pilot Options Rebate to Add Liquidity is currently $0.48 per contract if Participants add Customer, Professional, Firm, Non-NOM Market

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The term “Firm” refers to a firm participating in a transaction marked by a Participant in the Firm range for clearing purposes at OCC.
Maker\(^7\) and/or Broker-Dealer\(^8\) liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.75% of total industry customer equity and ETF option ADV of contracts traded in a month. This rebate also applies if (1) the Participant adds 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\(^9\) set forth in Rule 7014, and (3) the Participant qualifies for rebates under the Qualified Market Maker (“QMM”) Program\(^10\) set forth in Rule 7014.

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\(^7\) The term “NOM Market Maker” 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” refers to a broker or dealer participating in a transaction when such transaction is not subject to transaction fees applicable to specific categories of transaction participants (other than brokers and dealers).


\(^10\) 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).
Participants that qualify for the Tier 8 rebate and 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 of contracts traded in a month today also 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.\(^\text{11}\)

The Exchange is proposing to expand eligibility for this additional incentive under the Tier 8 Customer rebate by amending the qualification as follows: “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 1.15% 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.”

By lowering the percentage of total industry customer equity and ETF options ADV of contracts in a month required to be reached in order to qualify for the additional $0.02 per contract rebate, the Exchange expects that a greater number of Participants qualifying for the Tier 8 rebate will also receive the added incentive.

The Exchange expects that expanded eligibility for this incentive will encourage Participants to add greater liquidity to NOM. While the changes proposed herein are effective upon filing, the Exchange has designated such changes to become operative on August 3, 3015.

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\(^{11}\) This $0.02 per contract incentive applies only to the Tier 8 Customer rebate, and not the Professional rebate.

\(^{12}\) See note “e” in Chapter XV, Section 2(1).
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 which NASDAQ operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange’s proposal to expand incentive eligibility is reasonable because it will incentivize Participants to add liquidity in Penny Pilot Options and/or Non-Penny Pilot Options. Participants that qualify for the Tier 8 rebate may choose to add greater liquidity to NOM because of the lower percentage qualifier (1.25% to 1.15%) to obtain the additional $0.02 per contract Customer rebate.

The Exchange’s proposal to expand incentive eligibility is equitable and not unfairly discriminatory because all eligible Participants may qualify for the Tier 8 Customer Penny Pilot Options Rebate to Add Liquidity, provided they have the requisite volume. The added $0.0.2 per contract incentive will be uniformly paid in addition to the Tier 8 rebate. Customer liquidity is critically important to the market and all market participants. Greater customer liquidity benefits all market participants by providing more trading opportunities, which attracts market makers. An increase in the activity by market makers in turn facilitates tighter spreads and further order flow.


\(^{14}\) 15 U.S.C. 78f(b)(4) and (5).
4. **Self-Regulatory Organization’s Statement on Burden on Competition**

The proposed rule change will not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed expanded incentive will incentivize market participants to add greater liquidity on NOM to obtain the added $0.02 per contract Customer rebate. Customer liquidity is critically important to the market and benefits all market participants. Greater customer liquidity benefits all market participants by providing more trading opportunities and attracting greater participation by specialists and market makers. An increase in the activity of these market participants in turn facilitates tighter spreads. All Participants are eligible for the rebates if 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 ensure that the Exchange’s fees and rebates remain competitive with the fee structures at other trading platforms.

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,\textsuperscript{15} 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.

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August ___, 2015

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Chapter XV, Section 2 entitled “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 July 31, 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 the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange 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 such changes to become operative on August 3, 2015.


The text of the proposed rule change is available on the Exchange’s Website at http://nasdaq.cchwallstreet.com, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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 Exchange proposes to expand eligibility for one of the incentives under the Penny Pilot Options Rebates to Add Liquidity. The Penny Pilot was established in March 2008 and has since been expanded and extended through June 30, 2016.\(^3\) Today,

the Exchange pays Customers\textsuperscript{4} and Professionals\textsuperscript{5} a Penny Pilot Options Rebate to Add Liquidity based on the following tiered rebate structure:

<table>
<thead>
<tr>
<th>Monthly Volume</th>
<th>Rebate to Add Liquidity</th>
</tr>
</thead>
<tbody>
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<td></td>
</tr>
<tr>
<td>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</td>
<td>$0.20</td>
</tr>
<tr>
<td><strong>Tier 2</strong></td>
<td></td>
</tr>
<tr>
<td>Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options</td>
<td>$0.25</td>
</tr>
</tbody>
</table>


\textsuperscript{4} The term “Customer” refers to a customer in a transaction that is marked by a Participant in the Customer range for clearing purposes at The Options Clearing Corporation (“OCC”). Such a transaction is not for the account of a broker, dealer or "Professional” (see next footnote).

\textsuperscript{5} The term “Professional” 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) See Chapter I, Section 1(a)(48). All Professional orders must be appropriately marked by Participants.
above 0.10% to 0.20% of total industry customer equity and ETF option ADV contracts per day in a month

**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** 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% to 0.75% 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

$0.45

**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 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
The Exchange is proposing to expand eligibility for one of the incentives applicable to Tier 8 Customer Penny Pilot Options Rebate to Add Liquidity. The Tier 8 Customer and Professional Penny Pilot Options Rebate to Add Liquidity is currently $0.48 per contract if Participants add Customer, Professional, Firm,6 Non-NOM Market Maker7 and/or Broker-Dealer8 liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.75% of total industry customer equity and ETF option ADV of contracts traded in a month. This rebate also applies if (1) the Participant adds 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.

6 The term “Firm” refers to a firm participating in a transaction marked by a Participant in the Firm range for clearing purposes at OCC.

7 The term “NOM Market Maker” 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” refers to a broker or dealer participating in a transaction when such transaction is not subject to transaction fees applicable to specific categories of transaction participants (other than brokers and dealers).


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
Participants that qualify for the Tier 8 rebate and 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 of contracts traded in a month today also 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.\(^{11}\)

The Exchange is proposing to expand eligibility for this additional incentive under the Tier 8 Customer rebate by amending the qualification as follows: “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 1.15% 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.” By lowering the percentage of total industry customer equity and ETF options ADV of contracts in a month required to be reached in order to qualify for the additional $0.02 per

\(^{11}\) This $0.02 per contract incentive applies only to the Tier 8 Customer rebate, and not the Professional rebate.

\(^{12}\) See note “e” in Chapter XV, Section 2(1).
contract rebate, the Exchange expects that a greater number of Participants qualifying for the Tier 8 rebate will also receive the added incentive.

The Exchange expects that expanded eligibility for this incentive will encourage Participants to add greater liquidity to NOM. While the changes proposed herein are effective upon filing, the Exchange has designated such changes to become operative on August 3, 2015.

2. Statutory Basis

NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act, in general, and with Section 6(b)(4) and 6(b)(5) of the Act, 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 expand incentive eligibility is reasonable because it will incentivize Participants to add liquidity in Penny Pilot Options and/or Non-Penny Pilot Options. Participants that qualify for the Tier 8 rebate may choose to add greater liquidity to NOM because of the lower percentage qualifier (1.25% to 1.15%) to obtain the additional $0.02 per contract Customer rebate.

The Exchange’s proposal to expand incentive eligibility is equitable and not unfairly discriminatory because all eligible Participants may qualify for the Tier 8 Customer Penny Pilot Options Rebate to Add Liquidity, provided they have the requisite

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14 15 U.S.C. 78f(b)(4) and (5).
volume. The added $0.02 per contract incentive will be uniformly paid in addition to the Tier 8 rebate. Customer liquidity is critically important to the market and all market participants. Greater customer liquidity benefits all market participants by providing more trading opportunities, which attracts market makers. An increase in the activity by market makers in turn facilitates tighter spreads and further order flow.

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

The proposed rule change will not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed expanded incentive will incentivize market participants to add greater liquidity on NOM to obtain the added $0.02 per contract Customer rebate. Customer liquidity is critically important to the market and benefits all market participants. Greater customer liquidity benefits all market participants by providing more trading opportunities and attracting greater participation by specialists and market makers. An increase in the activity of these market participants in turn facilitates tighter spreads. All Participants are eligible for the rebates if 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 ensure that the Exchange’s fees and rebates remain competitive with the fee structures at other trading platforms.

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.15

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

IV. Solicitation of Comments

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

Electronic comments:

- 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-2015-090 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-2015-090. 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-2015-090 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.\footnote{17 CFR 200.30-3(a)(12).}

Robert W. Errett
Deputy Secretary
NASDAQ Stock Market Rules

Chapter XV Options Pricing

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

<table>
<thead>
<tr>
<th>Fees and Rebates (per executed contract)</th>
<th>Customer</th>
<th>Professional</th>
<th>Firm</th>
<th>Non-NOM Market Maker</th>
<th>NOM Market Maker</th>
<th>Broker-Dealer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Penny Pilot Options:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rebate to Add Liquidity</td>
<td>***</td>
<td>***</td>
<td>$0.10</td>
<td>$0.10</td>
<td>#</td>
<td>$0.10</td>
</tr>
<tr>
<td>Fee for Removing Liquidity</td>
<td>$0.48</td>
<td>$0.50&lt;sup&gt;d&lt;/sup&gt;</td>
<td>$0.50&lt;sup&gt;d&lt;/sup&gt;</td>
<td>$0.50&lt;sup&gt;d&lt;/sup&gt;</td>
<td>$0.50&lt;sup&gt;d&lt;/sup&gt;</td>
<td>$0.50&lt;sup&gt;d&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Non-Penny Pilot Options (including NDX&lt;sup&gt;1&lt;/sup&gt;):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fee for Adding Liquidity</td>
<td>N/A</td>
<td>$0.45</td>
<td>$0.45</td>
<td>$0.45</td>
<td>$0.35</td>
<td>$0.45</td>
</tr>
<tr>
<td>Fee for Removing Liquidity</td>
<td>$0.85</td>
<td>$0.94</td>
<td>$0.94</td>
<td>$0.94</td>
<td>$0.94</td>
<td>$0.94</td>
</tr>
<tr>
<td>Rebate to Add Liquidity</td>
<td>$0.84&lt;sup&gt;3&lt;/sup&gt;</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

<sup>1</sup>For 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.

<sup>3</sup>A 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.

<table>
<thead>
<tr>
<th>Monthly Volume</th>
<th>Rebate to Add Liquidity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tier 1</strong> 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 (&quot;ADV&quot;) contracts per day in a month</td>
<td>$0.20</td>
</tr>
<tr>
<td><strong>Tier 2</strong> 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</td>
<td>$0.25</td>
</tr>
<tr>
<td><strong>Tier 3</strong> 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</td>
<td>$0.42</td>
</tr>
<tr>
<td><strong>Tier 4</strong> 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</td>
<td>$0.43</td>
</tr>
<tr>
<td><strong>Tier 5</strong> 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% to 0.75% 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</td>
<td>$0.45</td>
</tr>
<tr>
<td><strong>Tier 6</strong> 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</td>
<td>$0.45</td>
</tr>
</tbody>
</table>
Penny Pilot Options

**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 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

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*a* For 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.

*b* For purposes of Tiers 6 and 7, "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.

*d* Participants 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.

*e* 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]1.15% 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.

# The NOM Market Maker Rebate to Add Liquidity in Penny Pilot Options will be paid as noted below.

<table>
<thead>
<tr>
<th>Monthly Volume</th>
<th>Rebate to Add Liquidity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tier 1</strong></td>
<td>Participant adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options $0.20</td>
</tr>
</tbody>
</table>
of up to 0.10% of total industry customer equity and ETF option average daily volume ("ADV") contracts per day in a month

| Tier 2 | Participant adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.10% to 0.25% of total industry customer equity and ETF option ADV contracts per day in a month | $0.25 |
| Tier 3 | Participant adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.25% to 0.60% of total industry customer equity and ETF option ADV contracts per day in a month | $0.30 or $0.40 in the following symbols AAPL, QQQ, SPY and VXX |
| Tier 4 | Participant adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of above 0.60% to 0.90% of total industry customer equity and ETF option ADV contracts per day in a month | $0.32 or $0.40 in the following symbols AAPL, QQQ, VXX and SPY |
| Tier 5 | Participant adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of above 0.30% of total industry customer equity and ETF option ADV contracts per day in a month and qualifies for the Tier 7 or Tier 8 Customer and/or Professional Rebate to Add Liquidity in Penny Pilot Options | $0.40 |
| Tier 6 | Participant adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.80% of total industry customer equity and ETF option ADV contracts per day in a month and qualifies for the Tier 7 or Tier 8 Customer and/or Professional Rebate to Add Liquidity in Penny Pilot Options or Participant adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.90% of total industry customer equity and ETF option ADV contracts per day in a month or 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 1.40% or more | $0.42 |
of total industry customer equity and ETF option
ADV contracts per day in a month

(2) – (5) No Change.

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