

Required fields are shown with yellow backgrounds and asterisks.

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

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
Section 3C(b)(2) * <input type="checkbox"/>	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description

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

A proposal to amend Rule 4703 (Order Attributes).

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 * Jonathan	Last Name * Cayne
Title * Senior Associate General Counsel	
E-mail * jonathan.cayne@nasdaq.com	
Telephone * (301) 978-8493	Fax (301) 978-8472

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date 05/04/2016	Executive Vice President and General Counsel
By Edward S. Knight	
(Name *)	



NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

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 *

Add Remove View

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 Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposal to amend Rule 4703 (Order Attributes).

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1.

(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 to it by the Board of Directors of Nasdaq on July 1, 2015. No other action by Nasdaq is necessary for the filing of the rule change.

Questions and comments on the proposed rule change may be directed to:

Jonathan F. Cayne
Senior Associate General Counsel
Nasdaq, Inc.
(301) 978-8493

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

a. Purpose

Nasdaq is proposing to amend Rule 4703(a)(7). This rule currently provides that a market participant entering an order using the SCAN routing strategy prior to 8:00 a.m.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Eastern time (“ET”) may designate the order to activate upon entry or at 8:00 a.m. ET.

The Exchange proposes to extend this functionality to the recently approved Retail Order Process (“RTFY”) order routing option.³

The RTFY order routing option is designed to enhance execution quality and benefit retail investors by providing price improvement opportunities to retail order flow. Previously, retail order firms often sent non-marketable order flow, that is - orders that are not executable against the best prices available in the market place based on their limit price - to post and display on exchanges. Some of the orders that have been deemed to be non-marketable by the entering firm become marketable by the time the exchange receives them and ultimately remove liquidity from the exchange order book. The RTFY routing option is an alternative method for posting non-marketable order flow on the Exchange order book. Rather than allowing the marketable Designated Retail Orders (“DROs”)⁴ to immediately remove liquidity from the Exchange order book (unless explicitly instructed to do so), the order is routed to destinations in the System routing table⁵ to increase price improvement opportunities for the DROs. RTFY may remove liquidity from the Exchange book after routing to other destinations. Any non-marketable RTFY orders will post on the Exchange book.

³ See Securities Exchange Act Release No. 76335 (Nov. 3, 2015), 80 FR 69256 (Nov. 9, 2015) (SR-NASDAQ-2015-112).

⁴ See Nasdaq Rule 7018.

⁵ The term “System routing table” refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them. NASDAQ reserves the right to maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. See NASDAQ Rule 4758(a)(1)(A).

Under the SCAN⁶ routing strategy orders can check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table. Shares that remain unexecuted after routing are posted on the Exchange book. Once on the Exchange book, if the order is subsequently locked or crossed by another market center, the System will not route the order to the locking or crossing market center.

Currently, RFTY users may enter extended hours orders, which may execute, route, or post to the book prior to the beginning of regular hours trading. Extended hours orders are accepted starting at 4 a.m. ET. SCAN users may also send extended hours orders which are eligible for execution, routing, and posting prior to regular market hours trading. However, SCAN users may also designate that their extended hours orders not activate until 8 a.m. Some market participants maintain systems that do not allow executions prior to 8 a.m. The Exchange believes this functionality for SCAN orders supports market participants by giving them the ability to allow orders to flow through to the Exchange while keeping them inactive until 8 a.m.

The Exchange believes that the market participants who currently use this functionality for the SCAN order routing option, as described in Nasdaq Rule 4703(a)(7), are similar to the market participants who use the new RTFY order routing option. While the users of the SCAN routing strategy are diverse, the users of the 8 a.m. activation functionality are generally retail focused broker-dealers. RTFY is an order routing option designed specifically for DROs in order to provide more opportunities for price improvement to individual retail investor's orders. Because the firms that choose to

⁶ See Nasdaq Rule 4758(a)(1)(A)(iv).

utilize the 8 a.m. activation feature of SCAN are generally firms that represent retail orders, the Exchange believes that it makes sense to provide this functionality to the retail firms that make use of the RTFY routing option. The Exchange proposes to update the fifth bullet point under Nasdaq Rule 4703(a) for consistency as to this point as well.

The proposed rule change will allow market participants using RTFY to benefit by having the added flexibility to allow their orders to activate at 8:00 a.m. ET in the same way current users of this functionality do with SCAN. Additionally, Nasdaq believes that by extending this functionality to the RTFY order routing option it will support these market participants as they seek ways in which to more efficiently manage the retail order flow that they submit to the Exchange.

The Exchange also proposes to eliminate the final sentence of Nasdaq Rule 4703(a)(7), which refers to the term “ESCN”. ESCN denotes an order using the SCAN routing strategy entered prior to 8:00 a.m. ET and that is not activated until 8:00 a.m. ET. The inclusion of this term is unnecessary and its elimination will simplify the rule and lessen potential confusion for market participants regarding this rule.

b. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder, including the requirements of Section 6(b) of the Act.⁷ In particular, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁸ requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts and

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

practices, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and to perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest.

Nasdaq believes that the proposed rule change promotes just and equitable principles of trade, as well as serves to remove impediments to and to perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest because it adds flexibility to the recently approved RTFY routing option. Specifically, the proposed rule change amends both Nasdaq Rule 4703(a)(7) and the fifth bullet point under Nasdaq Rule 4703(a), which currently apply to the SCAN order routing option, to also apply to the new RTFY order routing option as well. This added functionality for RTFY will allow market participants using the RTFY order routing strategy prior to 8:00 a.m. ET to designate whether their RTFY orders will activate upon entry or at 8:00 a.m. ET.

Nasdaq believes that this additional functionality will allow the Exchange to compete more successfully for retail order flow. The Exchange bases this upon its determination that the market participants who currently use the SCAN order routing option and use this functionality are similar to the market participants who use the new RTFY order routing option. Nasdaq believes that extending this functionality to the RTFY order routing option will assist market participants in efficiently managing the order flow that they submit to the Exchange.

This added functionality is an example of different approaches to market challenges and is what drives innovation, market quality, and ultimately competition. The

Exchange competes vigorously for order flow in a marketplace where participants have many trading venue choices. The Exchange believes making this functionality available to market participants using the RTFY routing option will increase competition by providing value to retail order firms and their retail investor customers, which will in turn result in more order flow being sent to the Exchange.

The Exchange also believes that its proposal to eliminate the final sentence of Nasdaq Rule 4703(a)(7) to remove the reference to “ESCN” serves to promote just and equitable principles of trade and to protect investors and the public interest through the elimination of a sentence that is unnecessary and unhelpful for market participants. Since ESCN denotes an order using the SCAN routing strategy entered prior to 8:00 a.m. ET and that is not eligible for execution until 8:00 a.m. ET, the inclusion of this term is no longer necessary and is unhelpful for market participants. The elimination of this sentence will clarify and lessen potential confusion for market participants regarding this rule.

For the above reasons, Nasdaq believes the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. In fact, the Exchange believes that the functionality in Nasdaq Rule 4703(a)(7) being made available to market participants using the recently approved RTFY order routing strategy will promote competition by providing value to retail order firms and their retail investor customers, which will in turn result in more order flow being sent to the Exchange. This development could enhance competition to the benefit of the markets and investors.

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

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

Not applicable.

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

The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A)⁹ of the Act and Rule 19b-4(f)(6) thereunder.¹⁰ The Exchange asserts that the proposed rule change does not (i) significantly affect the protection of investors or the public interest, (ii) impose any significant burden on competition, and (iii) become operative for 30 days after its filing date, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The Exchange believes that the proposed rule change does not significantly affect the protection of investors or the public interest because the proposed rule change would extend an existing functionality to the RTFY order routing option that will assist market participants in efficiently managing the order flow that they submit to the Exchange.

The Exchange does not believe that the proposed rule change will result in any significant burden on competition. In fact, the Exchange believes that this functionality that is being made available to market participants using the recently approved RTFY order routing strategy will promote competition by providing value to retail order firms and their retail investor customers, which will in turn result in more order flow being sent

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(6).

to the Exchange. Further, this functionality is identical to that which is available on the SCAN routing option that has been in operation for over a decade.¹¹

The Exchange believes that this development could enhance competition to the benefit of the markets and investors. The Exchange believes the rule change qualifies for immediate effectiveness as a “non-controversial” rule change under Rule 19b-4(f)(6) of the Act.

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.

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

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

Not applicable.

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

Not applicable.

¹¹ See Securities Exchange Act Release No. 52723 (Nov. 2, 2005), 70 FR 67513 (Nov. 7, 2005) (SR-NASD-2005-128).

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

Not applicable.

11. Exhibits

1. Notice of proposed rule for publication in the Federal Register.
5. Text of the proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-NASDAQ-2016-066)

May __, 2016

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule to Amend Nasdaq Rule 4703

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 May 4, 2016, The Nasdaq Stock Market LLC (“Nasdaq” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in 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

The Exchange proposes to amend Rule 4703 (Order Attributes).

The text of the proposed rule change is available

at <http://nasdaq.cchwallstreet.com/>, at Nasdaq’s principal office, and at the Commission’s Public Reference Room.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

the places specified in Item IV below. Nasdaq 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

Nasdaq is proposing to amend Rule 4703(a)(7). This rule currently provides that a market participant entering an order using the SCAN routing strategy prior to 8:00 a.m. Eastern time ("ET") may designate the order to activate upon entry or at 8:00 a.m. ET. The Exchange proposes to extend this functionality to the recently approved Retail Order Process ("RTFY") order routing option.³

The RTFY order routing option is designed to enhance execution quality and benefit retail investors by providing price improvement opportunities to retail order flow. Previously, retail order firms often sent non-marketable order flow, that is - orders that are not executable against the best prices available in the market place based on their limit price - to post and display on exchanges. Some of the orders that have been deemed to be non-marketable by the entering firm become marketable by the time the exchange receives them and ultimately remove liquidity from the exchange order book. The RTFY routing option is an alternative method for posting non-marketable order flow on the Exchange order book. Rather than allowing the marketable Designated Retail Orders ("DROs")⁴ to immediately remove liquidity from the Exchange order book (unless explicitly instructed to do so), the order is routed to destinations in the System routing

³ See Securities Exchange Act Release No. 76335 (Nov. 3, 2015), 80 FR 69256 (Nov. 9, 2015) (SR-NASDAQ-2015-112).

⁴ See Nasdaq Rule 7018.

table⁵ to increase price improvement opportunities for the DROs. RTFY may remove liquidity from the Exchange book after routing to other destinations. Any non-marketable RTFY orders will post on the Exchange book.

Under the SCAN⁶ routing strategy orders can check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table. Shares that remain unexecuted after routing are posted on the Exchange book. Once on the Exchange book, if the order is subsequently locked or crossed by another market center, the System will not route the order to the locking or crossing market center.

Currently, RFTY users may enter extended hours orders, which may execute, route, or post to the book prior to the beginning of regular hours trading. Extended hours orders are accepted starting at 4 a.m. ET. SCAN users may also send extended hours orders which are eligible for execution, routing, and posting prior to regular market hours trading. However, SCAN users may also designate that their extended hours orders not activate until 8 a.m. Some market participants maintain systems that do not allow executions prior to 8 am. The Exchange believes this functionality for SCAN orders supports market participants by giving them the ability to allow orders to flow through to the Exchange while keeping them inactive until 8 a.m.

⁵ The term “System routing table” refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them. NASDAQ reserves the right to maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. See NASDAQ Rule 4758(a)(1)(A).

⁶ See Nasdaq Rule 4758(a)(1)(A)(iv).

The Exchange believes that the market participants who currently use this functionality for the SCAN order routing option, as described in Nasdaq Rule 4703(a)(7), are similar to the market participants who use the new RTFY order routing option. While the users of the SCAN routing strategy are diverse, the users of the 8 a.m. activation functionality are generally retail focused broker-dealers. RTFY is an order routing option designed specifically for DROs in order to provide more opportunities for price improvement to individual retail investor's orders. Because the firms that choose to utilize the 8 a.m. activation feature of SCAN are generally firms that represent retail orders, the Exchange believes that it makes sense to provide this functionality to the retail firms that make use of the RTFY routing option. The Exchange proposes to update the fifth bullet point under Nasdaq Rule 4703(a) for consistency as to this point as well.

The proposed rule change will allow market participants using RTFY to benefit by having the added flexibility to allow their orders to activate at 8:00 a.m. ET in the same way current users of this functionality do with SCAN. Additionally, Nasdaq believes that by extending this functionality to the RTFY order routing option it will support these market participants as they seek ways in which to more efficiently manage the retail order flow that they submit to the Exchange.

The Exchange also proposes to eliminate the final sentence of Nasdaq Rule 4703(a)(7), which refers to the term "ESCN". ESCN denotes an order using the SCAN routing strategy entered prior to 8:00 a.m. ET and that is not activated until 8:00 a.m. ET. The inclusion of this term is unnecessary and its elimination will simplify the rule and lessen potential confusion for market participants regarding this rule.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder, including the requirements of Section 6(b) of the Act.⁷ In particular, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁸ requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts and practices, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and to perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest.

Nasdaq believes that the proposed rule change promotes just and equitable principles of trade, as well as serves to remove impediments to and to perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest because it adds flexibility to the recently approved RTFY routing option. Specifically, the proposed rule change amends both Nasdaq Rule 4703(a)(7) and the fifth bullet point under Nasdaq Rule 4703(a), which currently apply to the SCAN order routing option, to also apply to the new RTFY order routing option as well. This added functionality for RTFY will allow market participants using the RTFY order routing strategy prior to 8:00 a.m. ET to designate whether their RTFY orders will activate upon entry or at 8:00 a.m. ET.

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

Nasdaq believes that this additional functionality will allow the Exchange to compete more successfully for retail order flow. The Exchange bases this upon its determination that the market participants who currently use the SCAN order routing option and use this functionality are similar to the market participants who use the new RTFY order routing option. Nasdaq believes that extending this functionality to the RTFY order routing option will assist market participants in efficiently managing the order flow that they submit to the Exchange.

This added functionality is an example of different approaches to market challenges and is what drives innovation, market quality, and ultimately competition. The Exchange competes vigorously for order flow in a marketplace where participants have many trading venue choices. The Exchange believes making this functionality available to market participants using the RTFY routing option will increase competition by providing value to retail order firms and their retail investor customers, which will in turn result in more order flow being sent to the Exchange.

The Exchange also believes that its proposal to eliminate the final sentence of Nasdaq Rule 4703(a)(7) to remove the reference to “ESCN” serves to promote just and equitable principles of trade and to protect investors and the public interest through the elimination of a sentence that is unnecessary and unhelpful for market participants. Since ESCN denotes an order using the SCAN routing strategy entered prior to 8:00 a.m. ET and that is not eligible for execution until 8:00 a.m. ET, the inclusion of this term is no longer necessary and is unhelpful for market participants. The elimination of this sentence will clarify and lessen potential confusion for market participants regarding this rule.

For the above reasons, Nasdaq believes the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act.

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

The does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. In fact, the Exchange believes that the functionality in Nasdaq Rule 4703(a)(7) being made available to market participants using the recently approved RTFY order routing strategy will promote competition by providing value to retail order firms and their retail investor customers, which will in turn result in more order flow being sent to the Exchange. This development could enhance competition to the benefit of the markets and investors.

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

Written comments were neither solicited nor received.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant

to Section 19(b)(3)(A)(iii) of the Act⁹ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁰

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-2016-066 on the subject line.

⁹ 15 U.S.C. 78s(b)(3)(a)(iii).

¹⁰ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

Paper comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE, Washington, DC 20549-9303.

All submissions should refer to File Number SR-NASDAQ-2016-066. 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 website <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 Nasdaq. 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-2016-066 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.¹¹

Robert W. Errett
Deputy Secretary

¹¹ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

**NASDAQ Stock Market Rules
Equity Rules**

* * * * *

4703. Order Attributes.

As described in Rule 4702, the following Order Attributes may be assigned to those Order Types for which they are available.

(a) Time-in-Force

The "Time-in-Force" assigned to an Order means the period of time that the Nasdaq Market Center will hold the Order for potential execution. Participants specify an Order's Time-in-Force by designating a time at which the Order will become active and a time at which the Order will cease to be active. The available times for activating Orders are:

- The time of the Order's receipt by the Nasdaq Market Center;
- the Nasdaq Opening Cross (or 9:30 a.m. ET in the case of a security for which no Nasdaq Opening Cross occurs);
- Market Hours, beginning after the completion of the Nasdaq Opening Cross (or at 9:30 a.m. ET in the case of a security for which no Nasdaq Opening Cross occurs);
- the Nasdaq Closing Cross (or the end of Market Hours in the case of a security for which no Nasdaq Closing Cross occurs);
- 8:00 a.m. ET, in the case of an Order using the SCAN or RTFY routing strategy that is entered prior to 8:00 a.m. ET;
- the beginning of the Display-Only Period, in the case of a security that is the subject of a trading halt and for which trading will resume pursuant to a halt cross; and
- the resumption of trading, in the case of a security that is the subject of a trading halt and for which trading resumes without a halt cross.

The available times for deactivating Orders are:

- "Immediate" (i.e., immediately after determining whether the Order is marketable);
- the end of Market Hours;

- the end of System Hours;
- one year after entry; or
- a specific time identified by the Participant; provided, however, that an Order specifying an expire time beyond the current trading day will be cancelled at the end of the current trading day.

Notwithstanding the Time-in-Force originally designated for an Order, a Participant may always cancel an Order after it is entered.

The following Times-in-Force are referenced elsewhere in Nasdaq's Rules by the designations noted below

(1) – (6) No Change.

(7) A Participant entering an Order using the SCAN or RTFY routing strategy prior to 8:00 a.m. ET may designate the Order to activate upon entry, or at 8:00 a.m. ET.[The latter option may be referred to as “ESCN”.]

(b) – (l) No change.

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