Proposed rule change to amend Nasdaq Rule 7046 (Nasdaq Trading Insights) to delay the availability of one of the components of that product.
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 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 Proposed Rule Change**

   (a) Pursuant to the provisions of 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 ("SEC" or "Commission") a proposed rule change to amend Nasdaq Rule 7046 (Nasdaq Trading Insights) to delay the availability of one of the components of that product.

   The Exchange is requesting that the Commission waive the five-day pre-filing requirement and the 30-day operative delay period contained in SEC Rule 19b-4(f)(6)(iii).³

   (b) Not applicable.

   (c) Not applicable.

2. **Procedures of the Self-Regulatory Organization**

   The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors of the Exchange on August 15, 2016. Exchange staff will advise the Board of Directors of any action taken pursuant to delegated authority. No other action by the Exchange is necessary for the filing of the rule change.

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

   John M. Yetter
   Vice President and Deputy General Counsel
   Nasdaq, Inc.
   (301) 978-8497

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

   a. **Purpose**

      The Exchange recently added Nasdaq Rule 7046 (Nasdaq Trading Insights) to the Nasdaq rule book. Nasdaq Trading Insights is an optional market data service available to market participants for a corresponding fee and comprised of four distinct market data components. Specifically, as described in greater detail in the filing to establish Nasdaq Trading Insights, the market data components include: (a) Missed Opportunity – Liquidity; (b) Missed Opportunity – Latency; (c) Peer Benchmarking; and (d) Liquidity Dynamics Analysis. The purpose of this proposed rule change is to announce that Nasdaq is delaying the availability of the fourth component, Liquidity Dynamics Analysis, while analyzing the possibility of modifying that component and/or introducing additional data elements to Nasdaq Trading Insights. Nasdaq will submit a proposed rule change in the near future to confirm the availability of the Liquidity Dynamics Analysis component and/or to effectuate any additional changes to Nasdaq Trading Insights.

   b. **Statutory Basis**

      The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act, in general and with Sections 6(b)(5) of the Act, in

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5 SR-NASDAQ-2016-124 (September 23, 2016).


particular in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. This proposal is in keeping with those principles in that it is designed to ensure that Rule 7046 accurately reflects the components of Nasdaq Trading Insights that Nasdaq intends to make available at this time.

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, as amended. Specifically, Nasdaq believes that the proposed rule change will not affect competition in any respect because designed to ensure that Rule 7046 accurately reflects the components of Nasdaq Trading Insights that Nasdaq intends to make available at this time.

5. **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.

6. **Extension of Time Period for Commission Action**

   Not applicable.
7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)\(^8\) of the Act and Rule 19b-4(f)(6) thereunder\(^9\) in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The Exchange requests that the Commission waive the five-day pre-filing requirement and the 30-day period for the proposed rule change to become operative, as set forth in Rule 19b-4(f)(6)(iii),\(^10\) so that the proposed rule change can become operative immediately. Nasdaq is making this request because the Nasdaq Trading Insights product has been approved and is available to customers, but Nasdaq wishes to delay the availability of one of its components in order to allow time to analyze the possibility of modifying it. Accordingly, Nasdaq is requesting an immediately effective and operative amendment to Rule Rule 7046 in order to ensure that it accurately reflects the components of Nasdaq Trading Insights that Nasdaq intends to make available at this time.

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

Not applicable.


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

Not applicable.

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

Not applicable.

11. Exhibits

   1. Form of Notice of the Proposed Rule Change for the Federal Register.

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 October 11, 2016, 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 Nasdaq Rule 7046 (Nasdaq Trading Insights) to delay the availability of one of the components of that product.

The Exchange is requesting that the Commission waive the five-day pre-filing requirement and the 30-day operative delay period contained in SEC Rule 19b-4(f)(6)(iii).³

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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 recently added Nasdaq Rule 7046 (Nasdaq Trading Insights) to the Nasdaq rule book.\(^4\) Nasdaq Trading Insights is an optional market data service available to market participants for a corresponding fee\(^5\) and comprised of four distinct market data components. Specifically, as described in greater detail in the filing to establish Nasdaq Trading Insights, the market data components include: (a) Missed Opportunity – Liquidity; (b) Missed Opportunity – Latency; (c) Peer Benchmarking; and (d) Liquidity Dynamics Analysis. The purpose of this proposed rule change is to announce that Nasdaq is delaying the availability of the fourth component, Liquidity Dynamics Analysis, while analyzing the possibility of modifying that component and/or introducing


\(^5\) SR-NASDAQ-2016-124 (September 23, 2016).
adding additional data elements to Nasdaq Trading Insights. Nasdaq will submit a proposed rule change in the near future to confirm the availability of the Liquidity Dynamics Analysis component and/or to effectuate any additional changes to Nasdaq Trading Insights.

2. **Statutory Basis**

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,\(^6\) in general and with Sections 6(b)(5) of the Act,\(^7\) in particular in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. This proposal is in keeping with those principles in that it is designed to ensure that Rule 7046 accurately reflects the components of Nasdaq Trading Insights that Nasdaq intends to make available at this time.

B. **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, as amended. Specifically, Nasdaq believes that the proposed rule change will not affect competition in any respect because designed to ensure that Rule 7046


\(^7\) 15 U.S.C. 78f(b)(5).
accurately reflects the components of Nasdaq Trading Insights that Nasdaq intends to make available at this time.

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

No written comments were either solicited or received.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act and subparagraph (f)(6) of Rule 19b-4 thereunder.

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.

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9 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.
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-2016-138 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-2016-138. 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-2016-138 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. ¹⁰

Robert W. Errett
Deputy Secretary

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The text of the proposed rule change is below. Proposed new language is underlined; proposed deletions are bracketed.

The NASDAQ Stock Market Rules

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7046. Nasdaq Trading Insights

(a) The Nasdaq Trading Insights product will consist of the following products:

(1) – (3) No change.

(4) Liquidity Dynamics Analysis. This component offers extensive historical insight into visible and non-displayed orders on the Nasdaq exchange. This includes statistics regarding quantity and price at each of the top five price levels per buy/sell side and per stated time period. Availability of Liquidity Dynamics Analysis is currently delayed.

(b) Standard Fees

(1) 14-Day Trial Offer. Upon request, Nasdaq shall provide firms a 14-day waiver of the fees for the Nasdaq Trading Insights product, which consists of all four components listed above in (a)(1) - (a)(4). However, availability of the Liquidity Dynamics Analysis component is currently delayed. This waiver may be provided only once per firm. A firm will be charged the monthly fee rate listed below in (b)(2) if it does not cancel by the conclusion of the trial offer. The Nasdaq Trading Insights fee will not be pro-rated.

(2) No change.

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