Proposal to amend the Exchange transaction fees at Rule 7018(a) to adopt two new credits provided to a member for displayed quotes, orders that provide liquidity.

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 * Sean
Title * Principal Associate General Counsel
E-mail * Sean.Bennett@nasdaq.com
Telephone * (301) 978-8499

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.

(Date *)
By Edward S. Knight
(Title *)

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.
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) The NASDAQ Stock Market LLC (“Nasdaq” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)\(^1\) and Rule 19b-4 thereunder,\(^2\) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to amend the Exchange’s transaction fees at Rule 7018(a) to adopt two new credits provided to a member for displayed quotes/orders that provide liquidity, as described further below.

   A notice of the proposed rule change for publication in the **Federal Register** is attached as **Exhibit 1**. The text of the proposed rule change is attached 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 the Exchange pursuant to authority delegated by the Board of Directors (the “Board”) on August 15, 2016. Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

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

   T. Sean Bennett  
   Principal Associate General Counsel  
   Nasdaq, Inc.  
   (301) 978-8499

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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 purpose of the proposed rule change is to amend Rule 7018(a), concerning the fees and credits provided for the use of the order execution and routing services of the Nasdaq Market Center by members for all securities priced at $1 or more that it trades. The Exchange is proposing to adopt two new credits provided to a member for displayed quotes/orders that provide liquidity. Currently under Rules 7018(a)(1) – (3), the Exchange provides credits ranging from $0.0015 per share executed to $0.00305 per share executed to members for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) if they qualify by meeting the requirements of the various credit tiers under the rules. As described below, the Exchange is providing two new credits of $0.0026 and $0.0027 per share executed.

**First Credit**

The Exchange is proposing to provide a new credit to members for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) under Rule 7018(a), which will apply to securities of all three Tapes under Rule 7018(a)(1) – (3).

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3. Under Rule 7018(a)(2), the Exchange also provides a credit of $0.0001 per share executed to members for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders), and under Rule 7018(a)(3), the Exchange provides credits of $0.0001 and $0.0002 per share executed to members for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders). These credits are provided in addition to the credits provided for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity.

4. Tape C securities are those that are listed on the Exchange, Tape A securities are those that are listed on NYSE, and Tape B securities are those that are listed on exchanges other than Nasdaq or NYSE.
Specifically, the Exchange is adopting to provide a $0.0027 per share executed credit to a member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity if the member: (i) has shares of liquidity accessed in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.40% of Consolidated Volume\(^5\) during the month, and (ii) has shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.15% of Consolidated Volume during the month, and (iii) provides a daily average of at least 800,000 shares of non-displayed liquidity through one or more of its Nasdaq Market Center MPIDs during the month.

**Second Credit**

The Exchange is proposing to provide a new credit to members for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) under Rule 7018(a), which will apply to securities of all three Tapes under Rule 7018(a)(1) – (3). Specifically, the Exchange is proposing to provide a $0.0026 per share executed to a member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity if the member: (i) has shares of liquidity provided in securities that are listed on exchanges other than NASDAQ or NYSE through one or more of its Nasdaq Market Center MPIDs that represent at least 800,000 shares a day on

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\(^5\) Rule 7018(a) defines “Consolidated Volume” as the total consolidated volume reported to all consolidated transaction reporting plans by all exchanges and trade reporting facilities during a month in equity securities, excluding executed orders with a size of less than one round lot. For purposes of calculating Consolidated Volume and the extent of a member’s trading activity the date of the annual reconstitution of the Russell Investments Indexes shall be excluded from both total Consolidated Volume and the member’s trading activity.
average during the month, and (ii) doubles the daily average share volume provided in
securities that are listed on exchanges other than NASDAQ or NYSE through one or
more of its Nasdaq Market Center MPIDs during the month versus the member’s daily
average share volume provided in securities that are listed on exchanges other than
NASDAQ or NYSE in January 2017.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the
Act,\(^6\) in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,\(^7\) 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, and is not
designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

First Credit

The Exchange believes that the $0.0027 per share executed credit of the proposed
credit tier is reasonable because it is consistent with other credits that the Exchange
provides to members for displayed quotes/orders (other than Supplemental Orders or
Designated Retail Orders) that provide liquidity. As a general principle, the Exchange
chooses to offer credits to members in return for market improving behavior. As noted
above, the Exchange provides credits ranging from $0.0015 per share executed to
$0.00305 per share executed to members for displayed quotes/orders (other than
Supplemental Orders or Designated Retail Orders), and the Exchange applies


\(^7\) 15 U.S.C. 78f(b)(4) and (5).
progressively more stringent requirements in return for higher per share executed credits. Accordingly, the $0.0027 per share executed credit is reasonable.

The proposed $0.0027 per share executed credit tier is an equitable allocation and is not unfairly discriminatory because it is similar to other credit tiers provided under Rule 7018(a). The proposed credit will be provided to members that not only contribute to the Exchange by removing liquidity in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.40% of Consolidated Volume during the month, but also provide liquidity in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.15% of Consolidated Volume during the month, and maintain a daily average of at least 800,000 shares of non-displayed liquidity through one or more of its Nasdaq Market Center MPIDs during the month. Thus, the proposed criteria requires a significant level of market participation, by being both a remover and provider of liquidity, both displayed and non-displayed.

The Exchange currently provides a $0.0027 per share executed credit to a member with shares of liquidity accessed in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.65% of Consolidated Volume during the month, and (ii) with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.10% of Consolidated Volume during the month. The proposed credit tier requires the member to access less liquidity and provide more liquidity, as measured by Consolidated Volume, but also requires the member to additionally maintain a significant level of non-displayed liquidity. Moreover, since a member achieving this credit tier will be both accessing and providing liquidity, the proposed credit tier will benefit other members by encouraging
more liquidity on the Exchange, as well as increasing the likelihood that members resting
limit orders may be accessed by members seeking to attain this credit tier. The Exchange
seeks to encourage such behavior. As a consequence, the Exchange believes that the
proposed credit tier is comparable to the existing credit and therefore an equitable
allocation and is not unfairly discriminatory. Last, the Exchange believes the new credit
is an equitable allocation and is not unfairly discriminatory because it is one of many
possible means by which a member may qualify for a credit for displayed quotes/orders
(other than Supplemental Orders or Designated Retail Orders) under Rule 7018(a).

Second Credit

The Exchange believes that the $0.0026 per share executed credit of the proposed
credit tier is reasonable because it is consistent with other credits that the Exchange
provides to members for displayed quotes/orders (other than Supplemental Orders or
Designated Retail Orders) that provide liquidity. As noted above, the Exchange provides
credits ranging from $0.0015 per share executed to $0.00305 per share executed to
members for displayed quotes/orders (other than Supplemental Orders or Designated
Retail Orders), and the Exchange applies progressively more stringent requirements in
return for higher per share executed credits. Accordingly, the $0.0026 per share executed
credit is reasonable.

The proposed $0.0026 per share executed credit tier is an equitable allocation and
is not unfairly discriminatory because it is consistent with other credits provided under
Rule 7018(a). The proposed credit will be provided to members that have shares of
liquidity provided in securities that are listed on exchanges other than NASDAQ or
NYSE through one or more of its Nasdaq Market Center MPIDs that represents at least
800,000 shares a day on average during the month and also doubles the daily average share volume provided in securities that are listed on exchanges other than NASDAQ or NYSE through one or more of its Nasdaq Market Center MPIDs during the month versus the member’s daily average share volume provided in securities that are listed on exchanges other than NASDAQ or NYSE in January 2017. The Exchange notes that requiring a member to increase its participation in Tape B securities as measured by its daily average share volume compared to its daily average share volume in the month of January 2017 will ensure that the member increasing its participation in the market in securities that are listed on exchanges other than NASDAQ or NYSE. The Exchange is also requiring the member provide a significant level of liquidity provided in securities that are listed on exchanges other than NASDAQ or NYSE through one or more of its Nasdaq Market Center MPIDs that represents at least 800,000 shares a day on average. The Exchange does not currently have a credit under Rule 7018(a) that measures a member’s eligibility for a credit based on activity compared to a prior month’s activity; however, the Exchange does use a benchmark date against which performance is measured under the Nasdaq Growth Program. Last, the Exchange believes the new credit is an equitable allocation and is not unfairly discriminatory because it is one of many possible means by which a member may qualify for a credit for displayed

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8 See the “Growth Baseline” of Rule 7014(j). The Exchange notes that other markets also apply similar benchmarking concepts. For example, Bats BZX Exchange, provides a credit of $0.0030 per share if the member increases its Total Consolidated Volume for adding liquidity by 0.15% or more in comparison to its volume in April 2016, and assesses a fee of $0.00295 per share if the member increases its Total Consolidated Volume for removing liquidity by 0.05% or more in comparison to its July 2016 volume. Similarly, Bats EDGX Exchange pays a credit of $0.0032 per share if the member increases its Total Consolidated Volume for adding liquidity by 0.10% or more in comparison to its volume in January 2017.
quotes/orders (other than Supplemental Orders or Designated Retail Orders) under Rule 7018(a).

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. In terms of inter-market competition, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable.

In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

In this instance, the proposed new credits provided to a member for execution of securities of each of the three Tapes do not impose a burden on competition because the Exchange’s execution services are completely voluntary and subject to extensive competition both from other exchanges and from off-exchange venues. The proposed changes are designed to reward market-improving behavior by providing two new credit tiers based on various measures of such behavior, which may encourage other market venues to provide similar credits to improve their market quality. Thus, the Exchange
does not believe that the proposed changes will impose any burden on competition, but may rather promote competition.

In sum, if the changes proposed herein are unattractive to market participants, it is likely that the Exchange will lose market share as a result. Accordingly, the Exchange does not believe that the proposed changes will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets.

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,9 the Exchange 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.

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.

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**


    5. Text of the proposed rule change.
SECURITIES AND EXCHANGE COMMISSION  
(Release No. ; File No. SR-NASDAQ-2017-026)  

March __, 2017  

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Rule 7018(a) to Adopt Two New Credits  

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 March 1, 2017, 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 Rule 7018(a) to adopt two new credits provided to a member for displayed quotes/orders that provide liquidity.  

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 purpose of the proposed rule change is to amend Rule 7018(a), concerning the fees and credits provided for the use of the order execution and routing services of the Nasdaq Market Center by members for all securities priced at $1 or more that it trades. The Exchange is proposing to adopt two new credits provided to a member for displayed quotes/orders that provide liquidity. Currently under Rules 7018(a)(1) – (3), the Exchange provides credits ranging from $0.0015 per share executed to $0.00305 per share executed to members for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) if they qualify by meeting the requirements of the various credit tiers under the rules. As described below, the Exchange is providing two new credits of $0.0026 and $0.0027 per share executed.

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3 Under Rule 7018(a)(2), the Exchange also provides a credit of $0.0001 per share executed to members for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders), and under Rule 7018(a)(3), the Exchange provides credits of $0.0001 and $0.0002 per share executed to members for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders). These credits are provided in addition to the credits provided for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity.
First Credit

The Exchange is proposing to provide a new credit to members for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) under Rule 7018(a), which will apply to securities of all three Tapes\(^4\) under Rule 7018(a)(1) – (3). Specifically, the Exchange is adopting to provide a $0.0027 per share executed credit to a member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity if the member: (i) has shares of liquidity accessed in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.40% of Consolidated Volume\(^5\) during the month, and (ii) has shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.15% of Consolidated Volume during the month, and (iii) provides a daily average of at least 800,000 shares of non-displayed liquidity through one or more of its Nasdaq Market Center MPIDs during the month.

Second Credit

The Exchange is proposing to provide a new credit to members for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) under Rule 7018(a), which will apply to securities of all three Tapes under Rule 7018(a)(1) – (3).

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\(^4\) Tape C securities are those that are listed on the Exchange, Tape A securities are those that are listed on NYSE, and Tape B securities are those that are listed on exchanges other than Nasdaq or NYSE.

\(^5\) Rule 7018(a) defines “Consolidated Volume” as the total consolidated volume reported to all consolidated transaction reporting plans by all exchanges and trade reporting facilities during a month in equity securities, excluding executed orders with a size of less than one round lot. For purposes of calculating Consolidated Volume and the extent of a member’s trading activity the date of the annual reconstitution of the Russell Investments Indexes shall be excluded from both total Consolidated Volume and the member’s trading activity.
Specifically, the Exchange is proposing to provide a $0.0026 per share executed to a member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity if the member: (i) has shares of liquidity provided in securities that are listed on exchanges other than NASDAQ or NYSE through one or more of its Nasdaq Market Center MPIDs that represents at least 800,000 shares a day on average during the month, and (ii) doubles the daily average share volume provided in securities that are listed on exchanges other than NASDAQ or NYSE through one or more of its Nasdaq Market Center MPIDs during the month versus the member’s daily average share volume provided in securities that are listed on exchanges other than NASDAQ or NYSE in January 2017.

2. **Statutory Basis**

The Exchange believes that its proposal is consistent with Section 6(b) of the Act, in general, and furthers the objectives of Sections 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, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

**First Credit**

The Exchange believes that the $0.0027 per share executed credit of the proposed credit tier is reasonable because it is consistent with other credits that the Exchange provides to members for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity. As a general principle, the Exchange

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7  15 U.S.C. 78f(b)(4) and (5).
chooses to offer credits to members in return for market improving behavior. As noted above, the Exchange provides credits ranging from $0.0015 per share executed to $0.00305 per share executed to members for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders), and the Exchange applies progressively more stringent requirements in return for higher per share executed credits. Accordingly, the $0.0027 per share executed credit is reasonable.

The proposed $0.0027 per share executed credit tier is an equitable allocation and is not unfairly discriminatory because it is similar to other credit tiers provided under Rule 7018(a). The proposed credit will be provided to members that not only contribute to the Exchange by removing liquidity in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.40% of Consolidated Volume during the month, but also provide liquidity in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.15% of Consolidated Volume during the month, and maintain a daily average of at least 800,000 shares of non-displayed liquidity through one or more of its Nasdaq Market Center MPIDs during the month.

Thus, the proposed criteria requires a significant level of market participation, by being both a remover and provider of liquidity, both displayed and non-displayed.

The Exchange currently provides a $0.0027 per share executed credit to a member with shares of liquidity accessed in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.65% of Consolidated Volume during the month, and (ii) with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.10% of Consolidated Volume during the month. The proposed credit tier requires the member to access less
liquidity and provide more liquidity, as measured by Consolidated Volume, but also requires the member to additionally maintain a significant level of non-displayed liquidity. Moreover, since a member achieving this credit tier will be both accessing and providing liquidity, the proposed credit tier will benefit other members by encouraging more liquidity on the Exchange, as well as increasing the likelihood that members resting limit orders may be accessed by members seeking to attain this credit tier. The Exchange seeks to encourage such behavior. As a consequence, the Exchange believes that the proposed credit tier is comparable to the existing credit and therefore an equitable allocation and is not unfairly discriminatory. Last, the Exchange believes the new credit is an equitable allocation and is not unfairly discriminatory because it is one of many possible means by which a member may qualify for a credit for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) under Rule 7018(a).

Second Credit

The Exchange believes that the $0.0026 per share executed credit of the proposed credit tier is reasonable because it is consistent with other credits that the Exchange provides to members for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity. As noted above, the Exchange provides credits ranging from $0.0015 per share executed to $0.00305 per share executed to members for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders), and the Exchange applies progressively more stringent requirements in return for higher per share executed credits. Accordingly, the $0.0026 per share executed credit is reasonable.
The proposed $0.0026 per share executed credit tier is an equitable allocation and is not unfairly discriminatory because it is consistent with other credits provided under Rule 7018(a). The proposed credit will be provided to members that have shares of liquidity provided in securities that are listed on exchanges other than NASDAQ or NYSE through one or more of its Nasdaq Market Center MPIDs that represents at least 800,000 shares a day on average during the month and also doubles the daily average share volume provided in securities that are listed on exchanges other than NASDAQ or NYSE through one or more of its Nasdaq Market Center MPIDs during the month versus the member’s daily average share volume provided in securities that are listed on exchanges other than NASDAQ or NYSE in January 2017. The Exchange notes that requiring a member to increase its participation in Tape B securities as measured by its daily average share volume compared to its daily average share volume in the month of January 2017 will ensure that the member increasing its participation in the market in securities that are listed on exchanges other than NASDAQ or NYSE. The Exchange is also requiring the member provide a significant level of liquidity provided in securities that are listed on exchanges other than NASDAQ or NYSE through one or more of its Nasdaq Market Center MPIDs that represents at least 800,000 shares a day on average. The Exchange does not currently have a credit under Rule 7018(a) that measures a member’s eligibility for a credit based on activity compared to a prior month’s activity; however, the Exchange does use a benchmark date against which performance is measured under the Nasdaq Growth Program.\footnote{See the “Growth Baseline” of Rule 7014(j). The Exchange notes that other markets also apply similar benchmarking concepts. For example, Bats BZX Exchange, provides a credit of $0.0030 per share if the member increases its Total}
credit is an equitable allocation and is not unfairly discriminatory because it is one of many possible means by which a member may qualify for a credit for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) under Rule 7018(a).

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. In terms of inter-market competition, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable.

In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

In this instance, the proposed new credits provided to a member for execution of securities of each of the three Tapes do not impose a burden on competition because the Consolidated Volume for adding liquidity by 0.15% or more in comparison to its volume in April 2016, and assesses a fee of $0.00295 per share if the member increases its Total Consolidated Volume for removing liquidity by 0.05% or more in comparison to its July 2016 volume. Similarly, Bats EDGX Exchange pays a credit of $0.0032 per share if the member increases its Total Consolidated Volume for adding liquidity by 0.10% or more in comparison to its volume in January 2017.
Exchange’s execution services are completely voluntary and subject to extensive competition both from other exchanges and from off-exchange venues. The proposed changes are designed to reward market-improving behavior by providing two new credit tiers based on various measures of such behavior, which may encourage other market venues to provide similar credits to improve their market quality. Thus, the Exchange does not believe that the proposed changes will impose any burden on competition, but may rather promote competition.

In sum, if the changes proposed herein are unattractive to market participants, it is likely that the Exchange will lose market share as a result. Accordingly, the Exchange does not believe that the proposed changes will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets.

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.9

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-2017-026 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-2017-026. 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

  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-2017-026 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.\(^\text{10}\)

Robert W. Errett  
Deputy Secretary

\(^{10}\) 17 CFR 200.30-3(a)(12).
EXHIBIT 5

Deleted text is [bracketed]. New text is underlined.

The NASDAQ Stock Market Rules

* * * * *

7018. Nasdaq Market Center Order Execution and Routing

(a) The following charges shall apply to the use of the order execution and routing services of the Nasdaq Market Center by members for all securities priced at $1 or more that it trades. For purposes of determining a member's shares of liquidity routed, TFTY, MOPB, MOPP, SAVE, SOLV, CART, QDRK, QCST and directed orders are not counted. As used in this rule, the term "Consolidated Volume" shall mean the total consolidated volume reported to all consolidated transaction reporting plans by all exchanges and trade reporting facilities during a month in equity securities, excluding executed orders with a size of less than one round lot. For purposes of calculating Consolidated Volume and the extent of a member's trading activity the date of the annual reconstitution of the Russell Investments Indexes shall be excluded from both total Consolidated Volume and the member's trading activity.

(1) Fees for Execution and Routing of Orders in Nasdaq-Listed Securities

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Credit to member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity:

member adds Customer, Professional, Firm, $0.00295 per share executed
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 ADV in the
customer clearing range for Equity and ETF option contracts per day in a month on the
Nasdaq Options Market:

member (i) with shares of liquidity accessed $0.0027 per share executed
in all securities through one or more of its
Nasdaq Market Center MPIDs that represent
more than 0.40% of Consolidated Volume
during the month, and (ii) with shares of
liquidity provided in all securities through
one or more of its Nasdaq Market Center
MPIDs that represent more than 0.15% of
Consolidated Volume during the month, and (iii) provides a daily average of at least 800,000 shares of non-displayed liquidity through one or more of its Nasdaq Market Center MPIDs during the month:

- member (i) with shares of liquidity provided in securities that are listed on exchanges other than NASDAQ or NYSE through one or more of its Nasdaq Market Center MPIDs that represents at least 800,000 shares a day on average during the month and (ii) doubles the daily average share volume provided in securities that are listed on exchanges other than NASDAQ or NYSE through one or more of its Nasdaq Market Center MPIDs during the month versus the member’s daily average share volume provided in securities that are listed on exchanges other than NASDAQ or NYSE in January 2017:

  - $0.0026 per share executed

- member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent 0.575% or more of Consolidated Volume during the month, including shares of liquidity provided with respect to securities that are listed on exchanges other than NASDAQ or NYSE that represent 0.10% or more of Consolidated Volume:

  - $0.0030 per share executed

- member (i) with shares of liquidity provided in all securities during the month representing at least 0.60% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) Adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 0.10% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on the Nasdaq Options Market, and (iii) Adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in
Penny Pilot Options and/or Non-Penny Pilot Options of 1.50% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on the Nasdaq Options Market:

member (i) with shares of liquidity provided $0.0030 per share executed in all securities during the month representing at least 0.12% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) Adds 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 ADV in the customer clearing range for Equity and ETF option contracts per day during the month on the Nasdaq Options Market:

member with shares of liquidity provided in $0.00305 per share executed all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 1.25% of Consolidated Volume during the month:

member with shares of liquidity provided in $0.0030 per share executed all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.75% of Consolidated Volume during the month and member provides a daily average of at least 5 Million shares of non-displayed liquidity:

member with shares of liquidity provided in $0.0028 per share executed the Opening and Closing Crosses, excluding Market-on-Close, Limit-on-Close, Market-on-Open, Limit-on-Open, Good-til-Cancelled, and Immediate-or-Cancel orders, through one or more of its Nasdaq Market Center MPIDs that represent more than 0.01% of Consolidated Volume during the month:
member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.45% of Consolidated Volume during the month:

$0.0029 per share executed

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.30% of Consolidated Volume during the month:

$0.0027 per share executed

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.30% of Consolidated Volume during the month, including shares of liquidity provided with respect to securities that are listed on exchanges other than NASDAQ or NYSE that represent more than 0.10% of Consolidated Volume:

$0.0029 per share executed

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.10% of Consolidated Volume during the month:

$0.0025 per share

member (i) with shares of liquidity accessed in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.65% of Consolidated Volume during the month, and (ii) with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.10% of Consolidated Volume during the month:

$0.0027 per share executed

member with shares of liquidity accessed in all securities through one or more of its Nasdaq Market Center MPIDs representing more than 0.80% of Consolidated Volume during the month; provided that the member also provides a daily average of at least 2 million shares of liquidity in all securities

$0.0029 per share executed
through one or more of its Nasdaq Market Center MPIDs during the month:

member with shares of liquidity accessed in all securities through one or more of its Nasdaq Market Center MPIDs representing more than 0.45% of Consolidated Volume during the month; provided that the member also provides a daily average of at least 2 million shares of liquidity in all securities through one or more of its Nasdaq Market Center MPIDs during the month:

member with (i) shares of liquidity provided in all securities during the month representing more than 0.15% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) Total Volume, as defined in Chapter XV, Section 2 of the Nasdaq Options Market rules, of 0.90% or more of total industry ADV in the Customer clearing range for Equity and ETF option contracts per day in a month on the Nasdaq Options Market:

member (i) with shares of liquidity provided in all securities during the month representing at least 0.15% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) Adds NOM Market Maker liquidity in Penny Pilot Options and/or Non- Penny Pilot Options of 0.90% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on the Nasdaq Options Market:

member (i) with shares of liquidity provided in all securities during the month representing more than 0.10% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) adds Customer, Professional, Firm, Non-NOM Market
Maker and/or Broker-Dealer liquidity in Non-Penny Pilot Options of 0.40% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on the Nasdaq Options Market:

member with shares of liquidity provided in all securities during the month representing less than 0.10% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs; provided that (i) the member also provides a daily average of at least 250,000 shares of liquidity provided in securities listed on an exchange other than NASDAQ, or (ii) the member routes a daily average volume of at least 10,000 shares during the month via the QDRK routing strategy:

member that provides a daily average of at least 4 million shares of liquidity, which includes greater than 1.5 million shares per day of non-displayed liquidity, excluding midpoint orders:

member (i) with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.50% of Consolidated Volume during the month and (ii) member qualifies for Tier 4 of the MARS program on the Nasdaq Options Market during the month:

Credit to other members: $0.0015 per share executed

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(2) Fees for Execution and Routing of Securities Listed on NYSE

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Credit to member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that
provide liquidity:

in addition to the credits provided for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity, a member with shares of liquidity provided in all securities during the month representing at least 0.2% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs:

member adds 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 ADV in the customer clearing range for Equity and ETF option contracts per day in a month on the Nasdaq Options Market:

member (i) with shares of liquidity accessed in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.40% of Consolidated Volume during the month, and (ii) with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.15% of Consolidated Volume during the month, and (iii) provides a daily average of at least 800,000 shares of non-displayed liquidity through one or more of its Nasdaq Market Center MPIDs during the month:

member (i) with shares of liquidity provided in securities that are listed on exchanges other than NASDAQ or NYSE through one or more of its Nasdaq Market Center MPIDs that represents at least 800,000 shares a day on average during the month and (ii) doubles the daily average share volume provided in securities that are listed on exchanges other than NASDAQ or NYSE through one or more of its Nasdaq Market Center MPIDs during the month versus the

$0.0001 per share executed

$0.00295 per share executed

$0.0027 per share executed

$0.0026 per share executed
member’s daily average share volume provided in securities that are listed on exchanges other than NASDAQ or NYSE in January 2017:

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent 0.575% or more of Consolidated Volume during the month, including shares of liquidity provided with respect to securities that are listed on exchanges other than NASDAQ or NYSE that represent 0.10% or more of Consolidated Volume:

$0.0030 per share executed

member (i) with shares of liquidity provided in all securities during the month representing at least 0.60% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) Adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 0.10% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on the Nasdaq Options Market, and (iii) Adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 1.50% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on the Nasdaq Options Market:

$0.00305 per share executed

member (i) with shares of liquidity provided in all securities during the month representing at least 0.12% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) Adds 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 ADV in the customer clearing range for Equity and ETF option contracts per day in a month on the Nasdaq Options Market:
customer clearing range for Equity and ETF option contracts per day during the month on the Nasdaq Options Market:

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 1.25% of Consolidated Volume during the month:

$0.00305 per share executed

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.75% of Consolidated Volume during the month and member provides a daily average of at least 5 Million shares of non-displayed liquidity:

$0.0030 per share executed

member with shares of liquidity provided in the Opening and Closing Crosses, excluding Market-on-Close, Limit-on-Close, Market-on-Open, Limit-on-Open, Good-till-Cancelled, and Immediate-or-Cancel orders, through one or more of its Nasdaq Market Center MPIDs that represent more than 0.01% of Consolidated Volume during the month:

$0.0028 per share executed

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.45% of Consolidated Volume during the month:

$0.0029 per share executed

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.30% of Consolidated Volume during the month during the month:

$0.0027 per share executed

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.30% of Consolidated Volume during the month, including shares of
liquidity provided with respect to securities that are listed on exchanges other than NASDAQ or NYSE that represent more than 0.10% of Consolidated Volume:

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.10% of Consolidated Volume during the month:

$0.0025 per share executed

member (i) with shares of liquidity accessed in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.65% of Consolidated Volume during the month, and (ii) with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.10% of Consolidated Volume during the month:

$0.0027 per share executed

member with shares of liquidity accessed in all securities through one or more of its Nasdaq Market Center MPIDs representing more than 0.80% of Consolidated Volume during the month; provided that the member also provides a daily average of at least 2 million shares of liquidity in all securities through one or more of its Nasdaq Market Center MPIDs during the month:

$0.0029 per share executed

member with shares of liquidity accessed in all securities through one or more of its Nasdaq Market Center MPIDs representing more than 0.45% of Consolidated Volume during the month; provided that the member also provides a daily average of at least 2 million shares of liquidity in all securities through one or more of its Nasdaq Market Center MPIDs during the month:

$0.0025 per share executed

member with (i) shares of liquidity provided in all securities during the month representing more than 0.15% of Consolidated Volume during the month, through one or more of its Nasdaq Market
Center MPIDs, and (ii) Total Volume, as defined in Chapter XV, Section 2 of the Nasdaq Options Market rules, of 0.90% or more of total industry ADV in the Customer clearing range for Equity and ETF option contracts per day in a month on the Nasdaq Options Market:

member (i) with shares of liquidity provided $0.00305 per share executed in all securities during the month representing at least 0.15% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) Adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 0.90% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on the Nasdaq Options Market:

member (i) with shares of liquidity provided $0.0027 per share executed in all securities during the month representing more than 0.10% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Non-Penny Pilot Options of 0.40% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on the Nasdaq Options Market:

member that provides a daily average of at least 4 million shares of liquidity, which includes greater than 1.5 million shares per day of non-displayed liquidity, excluding midpoint orders:

member (i) with shares of liquidity provided $0.0025 per share executed in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.50% of Consolidated Volume during the month and (ii) member qualifies
for Tier 4 of the MARS program on the Nasdaq Options Market during the month:

Credit to other members: $0.0020 per share executed

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(3) Fees for Execution and Routing of Orders in Securities Listed on Exchanges other than Nasdaq and NYSE (“Tape B Securities”)

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Credit to member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity:

in addition to the credits provided for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity, a member with shares of liquidity provided in securities that are listed on exchanges other than NASDAQ or NYSE during the month representing at least 0.06% but less than 0.12% of Consolidated Volume during the month through one or more of its Nasdaq Market Center MPIDs:

in addition to the credits provided for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity, a member with shares of liquidity provided in securities that are listed on exchanges other than NASDAQ or NYSE during the month representing at least 0.12% of Consolidated Volume during the month through one or more of its Nasdaq Market Center MPIDs:

member adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non- Penny Pilot Options $0.00295 per share executed
of 1.15% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on the Nasdaq Options Market:

member (i) with shares of liquidity accessed in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.40% of Consolidated Volume during the month, and (ii) with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.15% of Consolidated Volume during the month, and (iii) provides a daily average of at least 800,000 shares of non-displayed liquidity through one or more of its Nasdaq Market Center MPIDs during the month:

$0.0027 per share executed

member (i) with shares of liquidity provided in securities that are listed on exchanges other than NASDAQ or NYSE through one or more of its Nasdaq Market Center MPIDs that represents at least 800,000 shares a day on average during the month and (ii) doubles the daily average share volume provided in securities that are listed on exchanges other than NASDAQ or NYSE through one or more of its Nasdaq Market Center MPIDs during the month versus the member’s daily average share volume provided in securities that are listed on exchanges other than NASDAQ or NYSE in January 2017:

$0.0026 per share executed

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent 0.575% or more of Consolidated Volume during the month, including shares of liquidity provided with respect to securities that are listed on exchanges other than NASDAQ or NYSE

$0.0030 per share executed
that represent 0.10% or more of Consolidated Volume:

member (i) with shares of liquidity provided in all securities during the month representing at least 0.60% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) Adds NOM Market Maker liquidity in Penny Pilot Options and/or Non- Penny Pilot Options of 0.10% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on the Nasdaq Options Market, and (iii) Adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non- Penny Pilot Options of 1.50% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on the Nasdaq Options Market:

$0.00305 per share executed

member (i) with shares of liquidity provided in all securities during the month representing at least 0.12% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) Adds 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 ADV in the customer clearing range for Equity and ETF option contracts per day during the month on the Nasdaq Options Market:

$0.0030 per share executed

member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 1.25% of Consolidated Volume during the month:

$0.00305 per share executed
member with shares of liquidity provided $0.0030 per share executed in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.75% of Consolidated Volume during the month and member provides a daily average of at least 5 Million shares of non-displayed liquidity:

member with shares of liquidity provided $0.0028 per share executed in the Opening and Closing Crosses, excluding Market-on-Close, Limit-on-Close, Market-on-Open, Limit-on-Open, Good-till-Cancelled, and Immediate-or-Cancel orders, through one or more of its Nasdaq Market Center MPIDs that represent more than 0.01% of Consolidated Volume during the month:

member with shares of liquidity provided $0.0029 per share executed in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.45% of Consolidated Volume during the month:

member with shares of liquidity provided $0.0027 per share executed in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.30% of Consolidated Volume during the month:

member with shares of liquidity provided $0.0029 per share executed in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.30% of Consolidated Volume during the month, including shares of liquidity provided with respect to securities that are listed on exchanges other than NASDAQ or NYSE that represent more than 0.10% of Consolidated Volume:

member with shares of liquidity provided $0.0025 per share executed in all securities through one or more of its Nasdaq Market Center MPIDs that
represent more than 0.10% of Consolidated Volume during the month:

member (i) with shares of liquidity accessed in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.65% of Consolidated Volume during the month, and (ii) with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.10% of Consolidated Volume during the month:

$0.0027 per share executed

member with shares of liquidity accessed in all securities through one or more of its Nasdaq Market Center MPIDs representing more than 0.80% of Consolidated Volume during the month; provided that the member also provides a daily average of at least 2 million shares of liquidity in all securities through one or more of its Nasdaq Market Center MPIDs during the month:

$0.0029 per share executed

member with shares of liquidity accessed in all securities through one or more of its Nasdaq Market Center MPIDs representing more than 0.45% of Consolidated Volume during the month; provided that the member also provides a daily average of at least 2 million shares of liquidity in all securities through one or more of its Nasdaq Market Center MPIDs during the month:

$0.0025 per share executed

member with (i) shares of liquidity provided in all securities during the month representing more than 0.15% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) Total Volume, as defined in Chapter XV, Section 2 of the Nasdaq Options Market rules, of 0.90% or more of total industry ADV in the Customer clearing range for
Equity and ETF option contracts per day in a month on the Nasdaq Options Market:

- member (i) with shares of liquidity provided in all securities during the month representing more than 0.10% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Non-Penny Pilot Options of 0.40% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on the Nasdaq Options Market: $0.0027 per share executed

- member (i) with shares of liquidity provided in all securities during the month representing at least 0.15% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 0.90% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on the Nasdaq Options Market: $0.00305 per share executed

- member that provides a daily average of at least 4 million shares of liquidity, which includes greater than 1.5 million shares per day of non-displayed liquidity, excluding midpoint orders: $0.0025 per share executed

- member (i) with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.50% of Consolidated Volume during the month and (ii) member qualifies for Tier 4 of the MARS program on the Nasdaq Options Market: $0.0030 per share executed
Market during the month:

Credit to other members: $0.0020 per share executed

(b) – (m) No change.

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