

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="22"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2017"/> - * <input type="text" value="088"/>	Amendment No. (req. for Amendments *) <input type="text"/>
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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 checked="" type="checkbox"/>	Section 19(b)(3)(A) * <input 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)(6)
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	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 *).

Proposal to amend Rule 4703(a) to allow members to designate when an Order with a RTFY or SCAN routing Order Attribute will be activated.

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 * <input type="text" value="Sean"/>	Last Name * <input type="text" value="Bennett"/>
Title * <input type="text" value="Principal Associate General Counsel"/>	
E-mail * <input type="text" value="Sean.Bennett@nasdaq.com"/>	
Telephone * <input type="text" value="(301) 978-8499"/>	Fax <input type="text"/>

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 <input type="text" value="08/30/2017"/>	Executive Vice President and General Counsel
By <input type="text" value="Edward S. Knight"/>	<input type="text" value="edward.knight@nasdaq.com"/>

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

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information *

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

Add Remove View

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

Add Remove View

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

Add Remove View

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 Rule 4703(a) to allow members to designate when an Order with a RTFY or SCAN routing Order Attribute will be activated.

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 the Board of Directors of the Exchange on August 23, 2017. 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

a. Purpose

The Exchange is proposing to amend Rule 4703(a) to allow members to designate when an Order with a RTFY or SCAN routing Order Attribute³ will be activated. RTFY is a routing option available for an order that qualifies as a Designated Retail Order under which orders check the System for available shares only if so instructed by the entering firm and are thereafter routed to destinations on the System routing table.⁴ If shares remain unexecuted after routing, they are posted to the book.⁵ Once on the book, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center.⁶ RTFY is designed to allow orders to participate in the opening, reopening and closing process of the primary listing market for a security. SCAN is a routing option under which orders check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table. If shares remain un-executed after routing, they are posted on the

³ The term “Order” means an instruction to trade a specified number of shares in a specified System Security submitted to the Nasdaq Market Center by a Participant. An “Order Type” is a standardized set of instructions associated with an Order that define how it will behave with respect to pricing, execution, and/or posting to the Nasdaq Book when submitted to Nasdaq. An “Order Attribute” is a further set of variable instructions that may be associated with an Order to further define how it will behave with respect to pricing, execution, and/or posting to the Nasdaq Book when submitted to Nasdaq. The available Order Types and Order Attributes, and the Order Attributes that may be associated with particular Order Types, are described in Rules 4702 and 4703. One or more Order Attributes may be assigned to a single Order; provided, however, that if the use of multiple Order Attributes would provide contradictory instructions to an Order, the System will reject the Order or remove non-conforming Order Attributes. See Rule 4701(e).

⁴ See Rule 4758(a)(1)(A)(v)b.

⁵ Id.

⁶ Id.

book.⁷ Once on the book, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center.⁸

Rule 4703 provides the various Order Attributes that may be assigned to Orders entered into the System. All Orders have a Time-in-Force,⁹ during which the Order is active. During Pre-Market Hours,¹⁰ the Exchange has historically provided a member two options concerning when an Order with a RTFY or SCAN Order Attribute may become active – upon entry or at single designated time, which is currently 8:00 a.m. ET. Orders with a RTFY or SCAN Order Attribute entered prior to 8:00 a.m. ET that are not designated to activate immediately are held by the System until 8:00 a.m. ET, at which time they become active. During Market Hours¹¹ and Post-Market Hours,¹² Orders with a RTFY or SCAN Order Attribute may only become active upon entry. The Exchange is proposing to provide members with greater control over their Orders with RTFY and SCAN Order Attributes by allowing members to designate when such Orders become active at any point during the trading day. Accordingly, the Exchange is amending Rule

⁷ See Rule 4758(a)(1)(A)(iv).

⁸ Id.

⁹ See Rule 4703(a).

¹⁰ The term “Pre-Market Hours” means the period of time beginning at 4:00 a.m. ET and ending immediately prior to the commencement of Market Hours. The term “Market Hours” means the period of time beginning at 9:30 a.m. ET and ending at 4:00 p.m. ET (or such earlier time as may be designated by Nasdaq on a day when Nasdaq closes early). The term “Post-Market Hours” means the period of time beginning immediately after the end of Market Hours and ending at 8:00 p.m. ET. The term “System Hours” means the period of time beginning at 4:00 a.m. ET and ending at 8:00 p.m. ET (or such earlier time as may be designated by Nasdaq on a day when Nasdaq closes early). See Rule 4701(g).

¹¹ Id.

¹² Id.

4703(a) and paragraph (7) thereunder to make it clear that Orders with a RTFY or SCAN Order Attribute may either be active upon entry or at a time designated by the member. The Exchange is also clarifying under Rule 4703(a)(7) that Orders with a RTFY or SCAN Order Attribute may be designated to activate at any time during System Hours, which encompasses the full trading day on Nasdaq, on the same day.¹³ Thus, an Order with a RTFY or SCAN Order Attribute not designated to become active immediately may only be designated to activate during System Hours of the day on which the Order was entered.

The Exchange will implement the proposed changes upon approval by the Commission.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹⁴ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹⁵ in particular, in that it is designed to promote just and equitable principles of trade, 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, by providing members with greater control over their Orders with a RTFY or SCAN Order Attribute and more flexibility to carry out their investment strategies. Currently, market participants are limited by the time at which their RTFY and SCAN Orders may activate – either upon entry or at 8:00 a.m. ET. The proposed rule change removes this limitation by allowing a member to designate the precise time at which it wishes the Order to

¹³ Id.

¹⁴ 15 U.S.C. 78f(b).

¹⁵ 15 U.S.C. 78f(b)(5).

become active. The Exchange notes that a member may currently replicate what is being proposed by entering an Order with a RTFY or SCAN Order Attribute precisely at the time that they wish it to become active during the trading day. The proposed change merely frees members from having to time their Order entry to achieve their investment goals. Currently, members may cancel an Order with a RTFY or SCAN Order Attribute at any time before it activates at 8 a.m. ET. Under the proposed change, members may cancel their inactive Orders with a RTFY or SCAN Order Attribute at any time, thus allowing them to react to market conditions that may cause them to violate their obligation of best execution to their customers should the Order activate and execute. Similarly, members may cancel their active Orders with RTFY or SCAN and enter new RTFY or SCAN Orders to activate at a time that the members believe will better satisfy their obligation of best execution.

With this change, and as is currently the case, all Nasdaq members may use the SCAN Order Attribute, and all Nasdaq members may use the RTFY Order Attribute if they meet its requirements.¹⁶ Thus, the proposed change will benefit all members that may use, or are eligible to use, SCAN or RTFY Order Attributes by removing a limitation, and by providing more choice over their market participation.

The Exchange believes that it is equitable to limit the proposed change to RTFY or SCAN Orders because of the nature of the members that use these Order types with the

¹⁶ As set forth in Rule 4758(a)(1)(A), RTFY is a routing option available for an order that qualifies as a Designated Retail Order. Rule 7018 defines a Designated Retail Order as an agency or riskless principal order that meets the criteria of FINRA Rule 5320.03 and that originates from a natural person and is submitted to Nasdaq by a member that designates it pursuant to this rule, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology.

current order activation delay. Currently, members that enter Orders with a RTFY or SCAN Order Attribute with delayed activation tend to represent customers on an agency basis – for example, individual retail investors.¹⁷ The Exchange has become aware that the proposed functionality would ease burdens associated with entering members' agency Orders with these Routing Order Attributes. Consequently, the Exchange is proposing to apply the proposed change to Orders with a RTFY or SCAN Order Attribute. Should the Exchange become aware of other Routing Order Attributes that would also benefit from the flexibility proposed herein, it will consider filing a rule change to expand the time during which such Orders may be designated to become active.

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. All Nasdaq members may use the SCAN Order Attribute, and Nasdaq members may use the RTFY Order Attribute if they meet its requirements. Any member that may use, or is eligible to use, Orders with RTFY or SCAN Order Attributes may avail itself of the proposed change. The Exchange believes that the proposed rule change promotes competition by removing a restriction on the use of two Order Attributes, thereby making the process of entering Orders with RTFY and SCAN Order Attributes more efficient and less burdensome on members. Members may not have functionality that allows them to send large numbers of RTFY and SCAN Orders to the Exchange for execution at a

¹⁷ RTFY, by definition, is entered on behalf of retail customers, whereas the Orders with a SCAN Order Attribute are entered on behalf of a wide array of customer, including retail customers. Consequently, although the proposed change will relieve burdens placed on members using both RTFY and SCAN, it will beneficially impact SCAN Orders more so than RTFY Orders.

designated time. As discussed above, such members must either enter RTFY and SCAN Orders for immediate execution or send them to the Exchange for execution at 8 a.m. ET, relying on the Exchange to queue and activate these Orders at this single time. The Exchange is proposing to allow such queuing and activation done by the Exchange to occur at any time, since the Exchange can better handle the large number of queued Orders received by certain members. Consequently, the proposed change eliminates the burden that affects these members, but will also allow any other member that currently queues RTFY and SCAN Orders for activation at a precise time to use the Exchange for this functionality instead. Should the Exchange find a similar burden placed on members using other Orders, it may extend the proposed activation functionality to other such Orders through rulemaking. The Exchange notes that providing members greater efficiency and control over their trading may make Nasdaq a more attractive venue, which may, in turn, cause other markets to consider similar changes that would remove unnecessary restrictions to the benefit of their members. For these reasons, the Exchange believes that the proposed change will not impose any burden on competition, but rather will reduce burdens, as described above.

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

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

Not applicable.

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

Not Applicable.

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. Notice of Proposed Rule Change for publication in the Federal Register.

5. Text of the proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-NASDAQ-2017-088)

September __, 2017

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing of Proposed Rule Change to Amend Rule 4703(a) to Allow Members to Designate when an Order with a RTFY or SCAN Routing Order Attribute will be Activated

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 August 30, 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 Rule 4703(a) to allow members to designate when an Order with a RTFY or SCAN routing Order Attribute will be activated.

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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 is proposing to amend Rule 4703(a) to allow members to designate when an Order with a RTFY or SCAN routing Order Attribute³ will be activated. RTFY is a routing option available for an order that qualifies as a Designated Retail Order under which orders check the System for available shares only if so instructed by the entering firm and are thereafter routed to destinations on the System routing table.⁴ If shares remain unexecuted after routing, they are posted to the book.⁵ Once on the book, should

³ The term "Order" means an instruction to trade a specified number of shares in a specified System Security submitted to the Nasdaq Market Center by a Participant. An "Order Type" is a standardized set of instructions associated with an Order that define how it will behave with respect to pricing, execution, and/or posting to the Nasdaq Book when submitted to Nasdaq. An "Order Attribute" is a further set of variable instructions that may be associated with an Order to further define how it will behave with respect to pricing, execution, and/or posting to the Nasdaq Book when submitted to Nasdaq. The available Order Types and Order Attributes, and the Order Attributes that may be associated with particular Order Types, are described in Rules 4702 and 4703. One or more Order Attributes may be assigned to a single Order; provided, however, that if the use of multiple Order Attributes would provide contradictory instructions to an Order, the System will reject the Order or remove non-conforming Order Attributes. See Rule 4701(e).

⁴ See Rule 4758(a)(1)(A)(v)b.

⁵ Id.

the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center.⁶ RTFY is designed to allow orders to participate in the opening, reopening and closing process of the primary listing market for a security. SCAN is a routing option under which orders check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table. If shares remain un-executed after routing, they are posted on the book.⁷ Once on the book, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center.⁸

Rule 4703 provides the various Order Attributes that may be assigned to Orders entered into the System. All Orders have a Time-in-Force,⁹ during which the Order is active. During Pre-Market Hours,¹⁰ the Exchange has historically provided a member two options concerning when an Order with a RTFY or SCAN Order Attribute may become active – upon entry or at single designated time, which is currently 8:00 a.m. ET. Orders with a RTFY or SCAN Order Attribute entered prior to 8:00 a.m. ET that are not

⁶ Id.

⁷ See Rule 4758(a)(1)(A)(iv).

⁸ Id.

⁹ See Rule 4703(a).

¹⁰ The term “Pre-Market Hours” means the period of time beginning at 4:00 a.m. ET and ending immediately prior to the commencement of Market Hours. The term “Market Hours” means the period of time beginning at 9:30 a.m. ET and ending at 4:00 p.m. ET (or such earlier time as may be designated by Nasdaq on a day when Nasdaq closes early). The term “Post-Market Hours” means the period of time beginning immediately after the end of Market Hours and ending at 8:00 p.m. ET. The term “System Hours” means the period of time beginning at 4:00 a.m. ET and ending at 8:00 p.m. ET (or such earlier time as may be designated by Nasdaq on a day when Nasdaq closes early). See Rule 4701(g).

designated to activate immediately are held by the System until 8:00 a.m. ET, at which time they become active. During Market Hours¹¹ and Post-Market Hours,¹² Orders with a RTFY or SCAN Order Attribute may only become active upon entry. The Exchange is proposing to provide members with greater control over their Orders with RTFY and SCAN Order Attributes by allowing members to designate when such Orders become active at any point during the trading day. Accordingly, the Exchange is amending Rule 4703(a) and paragraph (7) thereunder to make it clear that Orders with a RTFY or SCAN Order Attribute may either be active upon entry or at a time designated by the member. The Exchange is also clarifying under Rule 4703(a)(7) that Orders with a RTFY or SCAN Order Attribute may be designated to activate at any time during System Hours, which encompasses the full trading day on Nasdaq, on the same day.¹³ Thus, an Order with a RTFY or SCAN Order Attribute not designated to become active immediately may only be designated to activate during System Hours of the day on which the Order was entered.

The Exchange will implement the proposed changes upon approval by the Commission.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹⁴ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹⁵ in particular,

¹¹ Id.

¹² Id.

¹³ Id.

¹⁴ 15 U.S.C. 78f(b).

¹⁵ 15 U.S.C. 78f(b)(5).

in that it is designed to promote just and equitable principles of trade, 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, by providing members with greater control over their Orders with a RTFY or SCAN Order Attribute and more flexibility to carry out their investment strategies. Currently, market participants are limited by the time at which their RTFY and SCAN Orders may activate – either upon entry or at 8:00 a.m. ET. The proposed rule change removes this limitation by allowing a member to designate the precise time at which it wishes the Order to become active. The Exchange notes that a member may currently replicate what is being proposed by entering an Order with a RTFY or SCAN Order Attribute precisely at the time that they wish it to become active during the trading day. The proposed change merely frees members from having to time their Order entry to achieve their investment goals. Currently, members may cancel an Order with a RTFY or SCAN Order Attribute at any time before it activates at 8 a.m. ET. Under the proposed change, members may cancel their inactive Orders with a RTFY or SCAN Order Attribute at any time, thus allowing them to react to market conditions that may cause them to violate their obligation of best execution to their customers should the Order activate and execute. Similarly, members may cancel their active Orders with RTFY or SCAN and enter new RTFY or SCAN Orders to activate at a time that the members believe will better satisfy their obligation of best execution.

With this change, and as is currently the case, all Nasdaq members may use the SCAN Order Attribute, and all Nasdaq members may use the RTFY Order Attribute if

they meet its requirements.¹⁶ Thus, the proposed change will benefit all members that may use, or are eligible to use, SCAN or RTFY Order Attributes by removing a limitation, and by providing more choice over their market participation.

The Exchange believes that it is equitable to limit the proposed change to RTFY or SCAN Orders because of the nature of the members that use these Order types with the current order activation delay. Currently, members that enter Orders with a RTFY or SCAN Order Attribute with delayed activation tend to represent customers on an agency basis – for example, individual retail investors.¹⁷ The Exchange has become aware that the proposed functionality would ease burdens associated with entering members' agency Orders with these Routing Order Attributes. Consequently, the Exchange is proposing to apply the proposed change to Orders with a RTFY or SCAN Order Attribute. Should the Exchange become aware of other Routing Order Attributes that would also benefit from the flexibility proposed herein, it will consider filing a rule change to expand the time during which such Orders may be designated to become active.

¹⁶ As set forth in Rule 4758(a)(1)(A), RTFY is a routing option available for an order that qualifies as a Designated Retail Order. Rule 7018 defines a Designated Retail Order as an agency or riskless principal order that meets the criteria of FINRA Rule 5320.03 and that originates from a natural person and is submitted to Nasdaq by a member that designates it pursuant to this rule, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology.

¹⁷ RTFY, by definition, is entered on behalf of retail customers, whereas the Orders with a SCAN Order Attribute are entered on behalf of a wide array of customer, including retail customers. Consequently, although the proposed change will relieve burdens placed on members using both RTFY and SCAN, it will beneficially impact SCAN Orders more so than RTFY Orders.

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. All Nasdaq members may use the SCAN Order Attribute, and Nasdaq members may use the RTFY Order Attribute if they meet its requirements. Any member that may use, or is eligible to use, Orders with RTFY or SCAN Order Attributes may avail itself of the proposed change. The Exchange believes that the proposed rule change promotes competition by removing a restriction on the use of two Order Attributes, thereby making the process of entering Orders with RTFY and SCAN Order Attributes more efficient and less burdensome on members. Members may not have functionality that allows them to send large numbers of RTFY and SCAN Orders to the Exchange for execution at a designated time. As discussed above, such members must either enter RTFY and SCAN Orders for immediate execution or send them to the Exchange for execution at 8 a.m. ET, relying on the Exchange to queue and activate these Orders at this single time. The Exchange is proposing to allow such queuing and activation done by the Exchange to occur at any time, since the Exchange can better handle the large number of queued Orders received by certain members. Consequently, the proposed change eliminates the burden that affects these members, but will also allow any other member that currently queues RTFY and SCAN Orders for activation at a precise time to use the Exchange for this functionality instead. Should the Exchange find a similar burden placed on members using other Orders, it may extend the proposed activation functionality to other such Orders through rulemaking. The Exchange notes that providing members greater efficiency and control over their trading may make Nasdaq a more attractive venue, which may, in turn, cause other markets to consider similar changes that would remove

unnecessary restrictions to the benefit of their members. For these reasons, the Exchange believes that the proposed change will not impose any burden on competition, but rather will reduce burdens, as described above.

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

No written comments were either solicited or received.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) by order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be 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-2017-088 on the subject line.

Paper comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NASDAQ-2017-088. 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-2017-088 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁸

Eduardo A. Aleman
Assistant Secretary

¹⁸ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

NASDAQ Stock Market Rules

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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]upon entry or at a specific time identified by the Participant, 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 any time during System Hours on the same day[8:00 a.m. ET].

(b) – (m) No change.

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