

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 29	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2018 - * 015	Amendment No. (req. for Amendments *)
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Filing by The Nasdaq Stock Market LLC  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

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

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

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

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

A proposal to modify IM-5900-7, which describes the package of complimentary services provided to certain new listings.

**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 \* Arnold Last Name \* Golub

Title \* Vice President and Deputy General Counsel

E-mail \* Arnold.Golub@nasdaq.com

Telephone \* (301) 978-8075 Fax

**Signature**

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

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

(Title \*)

Date 02/15/2018

By Edward S. Knight

Executive Vice President and General Counsel

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 \***

Add Remove View

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

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

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

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

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to modify IM-5900-7, which describes the package of complimentary services provided to certain new listings. The Exchange requests that the Commission waive the 30-day operative delay period contained in Exchange Act Rule 19b-4(f)(6)(iii).<sup>3</sup>

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 of The Nasdaq Stock Market (the “Board”) on September 19, 2017. 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:

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 17 CFR 240.19b-4(f)(6)(iii).

Arnold Golub  
Vice President and Deputy General Counsel  
Nasdaq, Inc.  
(301) 978-8075

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

a. Purpose

Nasdaq offers complimentary services under IM-5900-7 to companies listing on the Nasdaq Global and Global Select Markets in connection with an initial public offering (other than a company listed under IM-5101-2), upon emerging from bankruptcy, in connection with a spin-off or carve-out from another company, or in conjunction with a business combination that satisfies the conditions in Nasdaq IM-5101-2(b) ("Eligible New Listings") and to companies (other than a company listed under IM-5101-2) switching their listing from the New York Stock Exchange ("NYSE") to the Global or Global Select Markets ("Eligible Switches").<sup>4</sup> Nasdaq believes that the complimentary service program offers valuable services to newly listing companies, designed to help ease the transition of becoming a public company or switching markets, makes listing on Nasdaq more attractive to these companies, and also provides Nasdaq Corporate Solutions the opportunity to demonstrate the value of its services and forge a relationship with the company. The services offered include a whistleblower hotline, investor relations website, disclosure services for earnings or other press releases,

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<sup>4</sup> See Exchange Act Release No. 65963 (December 15, 2011), 76 FR 79262 (December 21, 2011) (SR-NASDAQ-2011-122) (adopting IM-5900-7); Exchange Act Release No. 72669 (July 24, 2014), 79 FR 44234 (July 30, 2014) (SR-NASDAQ-2014-058) (adopting changes to IM-5900-7); Exchange Act Release No. 78806 (September 9, 2016), 81 FR 63523 (September 15, 2016) (SR-NASDAQ-2016-098); Exchange Act Release No. 79366 (November 21, 2016), 81 FR 85663 (November 28, 2016) (SR-NASDAQ-2016-106).

webcasting, market analytic tools, and may include market advisory tools such as stock surveillance.<sup>5</sup>

Nasdaq proposes to update the values of the services contained in IM-5900-7 to their current values. Depending on a company's market capitalization and whether it is an Eligible New Listing or an Eligible Switch, the total revised value of the services provided ranges from \$150,000 to \$824,000, and one-time development fees of approximately \$5,000 are waived.<sup>6</sup>

In addition, on January 29, 2018, Nasdaq, Inc., the parent of Nasdaq, announced that it had entered into a definitive agreement to sell the Public Relations Solutions and Digital Media Services units within its Corporate Solutions business.<sup>7</sup> Given that these units include the investor relations website, disclosure services, audio webcasting and whistleblower hotline services offered under Nasdaq Rule IM-5900-7, Nasdaq proposes

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<sup>5</sup> In addition, all companies listed on Nasdaq receive services from Nasdaq, including Nasdaq Online and the Market Intelligence Desk.

<sup>6</sup> The exact values are set forth in proposed IM-5900-7. Under the current rule the stated value of the services provided ranges from \$141,000 to \$754,000, and one-time development fees of approximately \$3,500 are waived. In describing the total value of the services for companies that can select more than one market advisory tool, Nasdaq presumes that a company would use stock surveillance, which has an approximate retail value of \$56,000 as revised (\$51,000 previously), and global targeting, which has an approximate retail value of \$44,000 as revised (\$40,000 previously). A company using the stock surveillance tool would be unlikely also to use the monthly ownership analytics and event driven targeting because there is considerable overlap between these services. Companies could, of course, select different combinations of the four offered services that do not overlap, but these other combinations would have lower total approximate retail values. See Exchange Act Release No. 78392 (July 22, 2016), 81 FR 49705, 49706 n.10 (July 28, 2016) (Notice of Filing for SR-NASDAQ-2016-098).

<sup>7</sup> See <http://www.globenewswire.com/news-release/2018/01/29/1313528/0/en/West-Corporation-Agrees-to-Acquire-Nasdaq-s-Public-Relations-Solutions-and-Digital-Media-Services-Businesses.html>. This transaction is expected to close in the second quarter of 2018.

to modify IM-5900-7 to state that the services will be provided either by Nasdaq Corporate Solutions or a third-party service provider selected by Nasdaq. In the event that Nasdaq Corporate Solutions no longer offers the services, this change will allow Nasdaq to arrange for an alternate provider, such as the purchaser of these units.<sup>8</sup>

Finally, Nasdaq proposes to: (i) update the preamble of IM-5900-7 to reflect the expiration of a transitional period that previously allowed companies listed at the time of changes to the complimentary services package in 2016 to choose to receive the package in effect at the time of their listing or the revised package; and (ii) clarify that the services described in IM-5900-7(a) are the only corporate solutions services offered to companies, to the extent they qualify pursuant to the rule. All companies will continue to receive additional services, such as Nasdaq Online and the Market Intelligence Desk, on an equal basis.

b. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>9</sup> in general, and Sections 6(b)(4),<sup>10</sup> 6(b)(5),<sup>11</sup> and 6(b)(8),<sup>12</sup> in

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<sup>8</sup> Upon completion of the announced transaction, the purchaser of the whistleblower hotline, investor relations website, disclosure and audio webcasting services will be expected to provide those services under IM-5900-7 pursuant to an exclusive agreement, subject to meeting specific service level commitments. Nasdaq Corporate Solutions is expected to continue to provide the market analytic and market advisory tools, although under the proposed rule change Nasdaq could instead select a third party provider for these services in the future.

<sup>9</sup> 15 U.S.C. 78f.

<sup>10</sup> 15 U.S.C. 78f(4).

<sup>11</sup> 15 U.S.C. 78f(5).

<sup>12</sup> 15 U.S.C. 78f(8).

particular, in that the proposal is designed, among other things, to provide for the equitable allocation of reasonable dues, fees, and other charges among Exchange members and issuers and other persons using its facilities and to promote just and equitable principles of trade, and is not designed to permit unfair discrimination between issuers, and that the rules of the Exchange do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

Nasdaq faces competition in the market for listing services,<sup>13</sup> and competes, in part, by offering valuable services to companies. Nasdaq believes that it is reasonable to offer complimentary services to attract and retain listings as part of this competition. All similarly situated companies are eligible for the same package of services and the eligibility of companies for services is not changing under this proposed rule change. The Commission has previously indicated pursuant to Section 19(b) of the Act<sup>14</sup> that updating the values of the services within the rule is necessary,<sup>15</sup> and Nasdaq does not believe this update has an effect on the allocation of fees nor does it permit unfair discrimination, as issuers will continue to receive the same services. Further, this update will enhance the transparency of Nasdaq's rules and the value of the services it offers

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<sup>13</sup> The Justice Department has noted the intense competitive environment for exchange listings. See "NASDAQ OMX Group Inc. and IntercontinentalExchange Inc. Abandon Their Proposed Acquisition Of NYSE Euronext After Justice Department Threatens Lawsuit" (May 16, 2011), available at [http://www.justice.gov/atr/public/press\\_releases/2011/271214.htm](http://www.justice.gov/atr/public/press_releases/2011/271214.htm).

<sup>14</sup> 15 U.S.C. 78s(b).

<sup>15</sup> See Exchange Act Release No. 72669 (July 24, 2014), 79 FR 44234 (July 30, 2014) (SR-NASDAQ-2014-058) (footnote 39 and accompanying text: "We would expect Nasdaq, consistent with Section 19(b) of the Act, to periodically update the retail values of services offered should they change. This will help to provide transparency to listed companies on the value of the free services they receive and the actual costs associated with listing on Nasdaq.")

companies, thus promoting just and equitable principles of trade. As such, the proposed rule change is consistent with the requirements of Section 6(b)(4) and (5) of the Act.

Nasdaq believes that the proposed change to allow services to be provided by third-party providers, instead of an affiliated service provider, reflects the current competitive environment for exchange listings among national securities exchanges, and is appropriate and consistent with Section 6(b)(8) in furtherance of the purposes of the Act. Specifically, Nasdaq believes that the current competitive environment for listings necessitates that it continue to offer services described in IM-5900-7 through a third-party service provider if its affiliate no longer offers those services. Further, Nasdaq believes that the ability to select the third-party providers of these services will enable it to select partners Nasdaq believes will provide quality service to listed companies and make adjustments if that quality is not maintained.<sup>16</sup> While this may disadvantage third-party providers that are not selected, the impact on competition among service providers is expected to remain small, as it is today where Nasdaq Corporate Solutions provides the services directly,<sup>17</sup> and does not impose an inappropriate burden on competition because issuers are not forced or required to utilize the complimentary products and services and other service providers can choose to offer their own complimentary services to issuers.

Nasdaq notes that the proposed change to allow third-party service providers does not affect the Commission's prior conclusion that offering these services is an equitable allocation of reasonable dues, fees, and other charges among exchange members and

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<sup>16</sup> Nasdaq expects that following the announced transaction it will initially rely on the purchaser of the whistleblower hotline, investor relations website, disclosure and audio webcasting services as its selected third-party provider, subject to that provider meeting specific service level commitments.

<sup>17</sup> See Exchange Act Release No. 65963, 76 FR at 79266-67.

issuers and other persons using its facilities and that the rule is designed to promote just and equitable principles of trade, and is not designed to permit unfair discrimination between issuers, consistent with Sections 6(b)(4) and 6(b)(5) of the Act because the underlying services will not change and all eligible companies will be given the identical choice of service providers.

Nasdaq believes that clarifying that the services described in IM-5900-7(a) are the only corporate solutions services offered to companies to the extent they qualify pursuant to the rule<sup>18</sup> is consistent with Section 6(b)(5) of the Act. Nasdaq represents, and this proposed rule change will help ensure, that individual listed companies are not given specially negotiated packages of products or services to list, or remain listed, which the Commission has previously stated would raise unfair discrimination issues under the Act.<sup>19</sup>

Finally, Nasdaq notes that the proposed update to the preamble of IM-5900-7 to reflect the expiration of old transitional periods is consistent with Section 6(b)(5) of the Act because it will clarify the rule without making any substantive change.

#### 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. As noted above, Nasdaq faces competition in the market for listing services, and competes, in part, by offering valuable services to companies. The proposed rule changes

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<sup>18</sup> All companies listed on Nasdaq receive certain services from Nasdaq on an equal basis, including Nasdaq Online and the Market Intelligence Desk.

<sup>19</sup> See Exchange Act Release No. 79366, 81 FR 85663 at 85665 (citing Securities Exchange Act Release No. 65127 (August 12, 2011), 76 FR 51449, 51452 (August 18, 2011) (approving NYSE-2011-20)).

reflect that competition, but do not impose any burden on the competition with other exchanges.

Nasdaq also does not believe that allowing a third-party selected by Nasdaq to provide certain services will impose any burden on competition not necessary or appropriate in furtherance of the Act. Such selection will allow Nasdaq to select third-party service providers that it believes will provide quality service to listed companies and make adjustments if that quality is not maintained. Multiple third-party vendors offer similar services and listed companies are not required to accept any discounted products and services as a condition to listing. Nasdaq-listed companies are free to purchase similar products and services from other vendors, or not to use any such products and services, instead of accepting the products and services offered by the Exchange. Other vendors can also choose to offer their own complimentary packages to compete with Nasdaq's offering. Further, complimentary services are only available to a company for either two or four years. Thus, Nasdaq does not believe that the proposed rule change will adversely impact competition for such products and services in a manner not necessary or appropriate in furtherance of the purposes of the Act.

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

The Exchange does not consent to an extension of the time period for Commission action.

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

The foregoing rule change has become effective pursuant to Section

19(b)(3)(A)(iii)<sup>20</sup> of the Act and Rule 19b-4(f)(6) thereunder<sup>21</sup> in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The proposed rule change updates the values of services provided under IM-5900-7 and makes non-substantive changes to clarify a former transition period and the applicability of the rule. These changes enhance transparency of the services Nasdaq provides, but do not significantly affect the protection of investors or the public interest and do not impose any significant burden on competition. In addition, the proposed rule change allows Nasdaq to select a third-party service provider instead of Nasdaq Corporate Solutions for certain services. This change is consistent with the approach approved by the Commission in the rules of NYSE and NYSE American, which each rely on both internally developed and third-party service providers for the complimentary services they provide to companies.<sup>22</sup> Given that Nasdaq will select third-party service

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<sup>20</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>21</sup> 17 CFR 240.19b-4(f)(6).

<sup>22</sup> See Exchange Act Release No. 65127 (August 12, 2011), 76 FR 51449 (August 18, 2011) (SR-NYSE-2011-20) (adopting Section 907.00 of the NYSE Listed Company Manual) (“These products and services are developed or delivered by NYSE or by a third-party for use by NYSE listed companies. Some of these products are commercially available by such third-party vendors.”); Exchange Act Release No. 77401 (March 17, 2016), 81 FR 15585 (March 23, 2016) (adopting Section 146 of the NYSE American Company Guide) (“The Exchange states that the specific products and services offered by the Exchange will be developed by the Exchange or by third-party vendors.”).

providers that it believes will provide quality service to listed companies and make adjustments if that quality is not maintained, this change also does not significantly affect the protection of investors or the public interest. As described above, this change also does not impose any significant burden on competition as the same services will continue to be offered on a complimentary basis as are offered today and the complimentary period will remain a limited two or four year period.

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

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.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) so that the accurate values of the complimentary services can immediately be reflected in Nasdaq's rules and so that Nasdaq can rely upon a third-party service provider if it chooses to do so.

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

NYSE and NYSE American each rely on both internally developed and third-party service providers for the complimentary services they provide to companies.<sup>23</sup>

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.

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<sup>23</sup>

Id.

**EXHIBIT 1**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. \_\_\_\_\_ ; File No. SR-NASDAQ-2018-015)

February \_\_, 2018

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Modify IM-5900-7

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 15, 2018, 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 modify IM-5900-7, which describes the package of complimentary services provided to certain new listings, to update the value of the services and allow services to be provided either by Nasdaq Corporate Solutions or a third-party service provider selected by Nasdaq.

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.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 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

Nasdaq offers complimentary services under IM-5900-7 to companies listing on the Nasdaq Global and Global Select Markets in connection with an initial public offering (other than a company listed under IM-5101-2), upon emerging from bankruptcy, in connection with a spin-off or carve-out from another company, or in conjunction with a business combination that satisfies the conditions in Nasdaq IM-5101-2(b) ("Eligible New Listings") and to companies (other than a company listed under IM-5101-2) switching their listing from the New York Stock Exchange ("NYSE") to the Global or Global Select Markets ("Eligible Switches").<sup>3</sup> Nasdaq believes that the complimentary service program offers valuable services to newly listing companies, designed to help ease the transition of becoming a public company or switching markets,

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<sup>3</sup> See Exchange Act Release No. 65963 (December 15, 2011), 76 FR 79262 (December 21, 2011) (SR-NASDAQ-2011-122) (adopting IM-5900-7); Exchange Act Release No. 72669 (July 24, 2014), 79 FR 44234 (July 30, 2014) (SR-NASDAQ-2014-058) (adopting changes to IM-5900-7); Exchange Act Release No. 78806 (September 9, 2016), 81 FR 63523 (September 15, 2016) (SR-NASDAQ-2016-098); Exchange Act Release No. 79366 (November 21, 2016), 81 FR 85663 (November 28, 2016) (SR-NASDAQ-2016-106).

makes listing on Nasdaq more attractive to these companies, and also provides Nasdaq Corporate Solutions the opportunity to demonstrate the value of its services and forge a relationship with the company. The services offered include a whistleblower hotline, investor relations website, disclosure services for earnings or other press releases, webcasting, market analytic tools, and may include market advisory tools such as stock surveillance.<sup>4</sup>

Nasdaq proposes to update the values of the services contained in IM-5900-7 to their current values. Depending on a company's market capitalization and whether it is an Eligible New Listing or an Eligible Switch, the total revised value of the services provided ranges from \$150,000 to \$824,000, and one-time development fees of approximately \$5,000 are waived.<sup>5</sup>

In addition, on January 29, 2018, Nasdaq, Inc., the parent of Nasdaq, announced that it had entered into a definitive agreement to sell the Public Relations Solutions and

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<sup>4</sup> In addition, all companies listed on Nasdaq receive services from Nasdaq, including Nasdaq Online and the Market Intelligence Desk.

<sup>5</sup> The exact values are set forth in proposed IM-5900-7. Under the current rule the stated value of the services provided ranges from \$141,000 to \$754,000, and one-time development fees of approximately \$3,500 are waived. In describing the total value of the services for companies that can select more than one market advisory tool, Nasdaq presumes that a company would use stock surveillance, which has an approximate retail value of \$56,000 as revised (\$51,000 previously), and global targeting, which has an approximate retail value of \$44,000 as revised (\$40,000 previously). A company using the stock surveillance tool would be unlikely also to use the monthly ownership analytics and event driven targeting because there is considerable overlap between these services. Companies could, of course, select different combinations of the four offered services that do not overlap, but these other combinations would have lower total approximate retail values. See Exchange Act Release No. 78392 (July 22, 2016), 81 FR 49705, 49706 n.10 (July 28, 2016) (Notice of Filing for SR-NASDAQ-2016-098).

Digital Media Services units within its Corporate Solutions business.<sup>6</sup> Given that these units include the investor relations website, disclosure services, audio webcasting and whistleblower hotline services offered under Nasdaq Rule IM-5900-7, Nasdaq proposes to modify IM-5900-7 to state that the services will be provided either by Nasdaq Corporate Solutions or a third-party service provider selected by Nasdaq. In the event that Nasdaq Corporate Solutions no longer offers the services, this change will allow Nasdaq to arrange for an alternate provider, such as the purchaser of these units.<sup>7</sup>

Finally, Nasdaq proposes to: (i) update the preamble of IM-5900-7 to reflect the expiration of a transitional period that previously allowed companies listed at the time of changes to the complimentary services package in 2016 to choose to receive the package in effect at the time of their listing or the revised package; and (ii) clarify that the services described in IM-5900-7(a) are the only corporate solutions services offered to companies, to the extent they qualify pursuant to the rule. All companies will continue to receive additional services, such as Nasdaq Online and the Market Intelligence Desk, on an equal basis.

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<sup>6</sup> See <http://www.globenewswire.com/news-release/2018/01/29/1313528/0/en/West-Corporation-Agrees-to-Acquire-Nasdaq-s-Public-Relations-Solutions-and-Digital-Media-Services-Businesses.html>. This transaction is expected to close in the second quarter of 2018.

<sup>7</sup> Upon completion of the announced transaction, the purchaser of the whistleblower hotline, investor relations website, disclosure and audio webcasting services will be expected to provide those services under IM-5900-7 pursuant to an exclusive agreement, subject to meeting specific service level commitments. Nasdaq Corporate Solutions is expected to continue to provide the market analytic and market advisory tools, although under the proposed rule change Nasdaq could instead select a third party provider for these services in the future.

## 2. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>8</sup> in general, and Sections 6(b)(4),<sup>9</sup> 6(b)(5),<sup>10</sup> and 6(b)(8),<sup>11</sup> in particular, in that the proposal is designed, among other things, to provide for the equitable allocation of reasonable dues, fees, and other charges among Exchange members and issuers and other persons using its facilities and to promote just and equitable principles of trade, and is not designed to permit unfair discrimination between issuers, and that the rules of the Exchange do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

Nasdaq faces competition in the market for listing services,<sup>12</sup> and competes, in part, by offering valuable services to companies. Nasdaq believes that it is reasonable to offer complimentary services to attract and retain listings as part of this competition. All similarly situated companies are eligible for the same package of services and the eligibility of companies for services is not changing under this proposed rule change. The Commission has previously indicated pursuant to Section 19(b) of the Act<sup>13</sup> that

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<sup>8</sup> 15 U.S.C. 78f.

<sup>9</sup> 15 U.S.C. 78f(4).

<sup>10</sup> 15 U.S.C. 78f(5).

<sup>11</sup> 15 U.S.C. 78f(8).

<sup>12</sup> The Justice Department has noted the intense competitive environment for exchange listings. See “NASDAQ OMX Group Inc. and IntercontinentalExchange Inc. Abandon Their Proposed Acquisition Of NYSE Euronext After Justice Department Threatens Lawsuit” (May 16, 2011), available at [http://www.justice.gov/atr/public/press\\_releases/2011/271214.htm](http://www.justice.gov/atr/public/press_releases/2011/271214.htm).

<sup>13</sup> 15 U.S.C. 78s(b).

updating the values of the services within the rule is necessary,<sup>14</sup> and Nasdaq does not believe this update has an effect on the allocation of fees nor does it permit unfair discrimination, as issuers will continue to receive the same services. Further, this update will enhance the transparency of Nasdaq's rules and the value of the services it offers companies, thus promoting just and equitable principles of trade. As such, the proposed rule change is consistent with the requirements of Section 6(b)(4) and (5) of the Act.

Nasdaq believes that the proposed change to allow services to be provided by third-party providers, instead of an affiliated service provider, reflects the current competitive environment for exchange listings among national securities exchanges, and is appropriate and consistent with Section 6(b)(8) in furtherance of the purposes of the Act. Specifically, Nasdaq believes that the current competitive environment for listings necessitates that it continue to offer services described in IM-5900-7 through a third-party service provider if its affiliate no longer offers those services. Further, Nasdaq believes that the ability to select the third-party providers of these services will enable it to select partners Nasdaq believes will provide quality service to listed companies and make adjustments if that quality is not maintained.<sup>15</sup> While this may disadvantage third-party providers that are not selected, the impact on competition among service providers is

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<sup>14</sup> See Exchange Act Release No. 72669 (July 24, 2014), 79 FR 44234 (July 30, 2014) (SR-NASDAQ-2014-058) (footnote 39 and accompanying text: "We would expect Nasdaq, consistent with Section 19(b) of the Act, to periodically update the retail values of services offered should they change. This will help to provide transparency to listed companies on the value of the free services they receive and the actual costs associated with listing on Nasdaq.")

<sup>15</sup> Nasdaq expects that following the announced transaction it will initially rely on the purchaser of the whistleblower hotline, investor relations website, disclosure and audio webcasting services as its selected third-party provider, subject to that provider meeting specific service level commitments.

expected to remain small, as it is today where Nasdaq Corporate Solutions provides the services directly,<sup>16</sup> and does not impose an inappropriate burden on competition because issuers are not forced or required to utilize the complimentary products and services and other service providers can choose to offer their own complimentary services to issuers.

Nasdaq notes that the proposed change to allow third-party service providers does not affect the Commission's prior conclusion that offering these services is an equitable allocation of reasonable dues, fees, and other charges among exchange members and issuers and other persons using its facilities and that the rule is designed to promote just and equitable principles of trade, and is not designed to permit unfair discrimination between issuers, consistent with Sections 6(b)(4) and 6(b)(5) of the Act because the underlying services will not change and all eligible companies will be given the identical choice of service providers.

Nasdaq believes that clarifying that the services described in IM-5900-7(a) are the only corporate solutions services offered to companies to the extent they qualify pursuant to the rule<sup>17</sup> is consistent with Section 6(b)(5) of the Act. Nasdaq represents, and this proposed rule change will help ensure, that individual listed companies are not given specially negotiated packages of products or services to list, or remain listed, which the Commission has previously stated would raise unfair discrimination issues under the Act.<sup>18</sup>

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<sup>16</sup> See Exchange Act Release No. 65963, 76 FR at 79266-67.

<sup>17</sup> All companies listed on Nasdaq receive certain services from Nasdaq on an equal basis, including Nasdaq Online and the Market Intelligence Desk.

<sup>18</sup> See Exchange Act Release No. 79366, 81 FR 85663 at 85665 (citing Securities Exchange Act Release No. 65127 (August 12, 2011), 76 FR 51449, 51452 (August 18, 2011) (approving NYSE-2011-20)).

Finally, Nasdaq notes that the proposed update to the preamble of IM-5900-7 to reflect the expiration of old transitional periods is consistent with Section 6(b)(5) of the Act because it will clarify the rule without making any substantive change.

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. As noted above, Nasdaq faces competition in the market for listing services, and competes, in part, by offering valuable services to companies. The proposed rule changes reflect that competition, but do not impose any burden on the competition with other exchanges.

Nasdaq also does not believe that allowing a third-party selected by Nasdaq to provide certain services will impose any burden on competition not necessary or appropriate in furtherance of the Act. Such selection will allow Nasdaq to select third-party service providers that it believes will provide quality service to listed companies and make adjustments if that quality is not maintained. Multiple third-party vendors offer similar services and listed companies are not required to accept any discounted products and services as a condition to listing. Nasdaq-listed companies are free to purchase similar products and services from other vendors, or not to use any such products and services, instead of accepting the products and services offered by the Exchange. Other vendors can also choose to offer their own complimentary packages to compete with Nasdaq's offering. Further, complimentary services are only available to a company for either two or four years. Thus, Nasdaq does not believe that the proposed rule change will adversely impact competition for such products and services in a manner not necessary or appropriate in furtherance of the purposes of the Act.

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

No written comments were either solicited or received.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>19</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>20</sup>

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

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<sup>19</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>20</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

#### IV. Solicitation of Comments

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

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NASDAQ-2018-015 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-2018-015. 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-2018-015 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.<sup>21</sup>

Eduardo A. Aleman  
Assistant Secretary

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<sup>21</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

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

**The Nasdaq Stock Market Rules**

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**IM-5900-7. Services Offered to Certain Newly Listing Companies**

*INTRODUCTORY NOTE:* Nasdaq offers certain newly listing companies complimentary services to help them satisfy their obligations as public companies related to governance and communications, and to provide intelligence about their securities. These services are offered to companies listing on the Global or Global Select Market in connection with their initial public offering (other than a company listed under IM-5101-2), upon emerging from bankruptcy, in connection with a spin-off or carve-out from another company, or in conjunction with a business combination that satisfies the conditions in IM-5101-2(b) ("Eligible New Listings"). They are also offered to companies (other than a company listed under IM-5101-2) switching their listing from the New York Stock Exchange to the Global or Global Select Markets ("Eligible Switches").

Nasdaq initially adopted a rule providing Eligible New Listings and Eligible Switches with services effective December 15, 2011 (the "Original Service Package"). The Original Service Package is described in the rule text available at <http://nasdaq.cchwallstreet.com/Nasdaq/pdf/nasdaq-filings/2011/SR-Nasdaq-2011-122.pdf>.

Nasdaq modified the service package effective for new listings after July 24, 2014 (the "2014 Service Package"). If, however, a Company submitted its Nasdaq listing application before July 31, 2014, and listed before September 30, 2014, then the Company was still eligible to receive the Original Service Package. The 2014 Service Package is described in the rule text available at <http://nasdaq.cchwallstreet.com/Nasdaq/pdf/nasdaq-filings/2014/SR-Nasdaq-2014-058.pdf>.

The current service package was proposed in July 2016 in SR-NASDAQ-2016-098 (the "2016 Service Package") and is described in paragraphs (a) - (d) below. Any Company that lists after September 9, 2016, the approval date of the 2016 Service Package, is eligible to receive the services described in the 2016 Service Package.

Any Company receiving services under the Original Service Package or the 2014 Service Package on September 9, 2016, the approval date of the 2016 Service Package, [may]was allowed to continue to receive services under the terms of the Original Service Package or the 2014 Service Package, as applicable, or [may ]elect to receive services under the 2016 Service Package (even if those services were not available at the time the company listed on Nasdaq). If a Company [elects]elected to receive the 2016 Service Package, the services that the Company is eligible to receive will be determined based on its status and

market capitalization at the time of its original listing. The length of time that services are available to the Company under the 2016 Service Package will be calculated from the Company's original listing date. For example, if an Eligible Switch listed on July 22, 2015, when its market capitalization was \$4 billion, that Company would receive services for four years from date of its listing (or until July 22, 2019), as provided in paragraph (c)(2) [below] of the 2016 Service Package, instead of for three years, as provided in paragraph (c) of the 2014 Service Package.

(a) The services offered to certain newly listing Companies, which are offered through Nasdaq Corporate Solutions, LLC, an affiliate of Nasdaq, or a third-party provider selected by Nasdaq, [may include] are the following, as more specifically set forth in paragraphs (b) and (c) below:

**Whistleblower Hotline:** Companies will receive a financial reporting hotline that provides employees and others with a fully-automated, safe and secure means of reporting incidents and concerns. This service has an approximate retail value of \$4,000 per year.

**Investor Relations Website:** Companies will receive a website with all the necessary content and features to communicate with investors, offering easy access to up-to-date information. Included on this website will be a corporate governance library containing documents such as the Board committees' charters and the Company's code of ethics. These services have a retail value of approximately \$17,000[\$16,000] per year.

**Disclosure Services:** Companies will be provided an annual stipend in the amount listed below to use with Nasdaq Corporate Solutions (or a third-party provider selected by Nasdaq) for disclosure services for earnings or other press releases, including photographs, and filing of EDGAR and XBRL reports.

**Audio Webcasting:** Companies will receive a package of four audio webcasts. These services have a retail value of approximately \$7,000[\$6,500] per year.

**Market Analytic Tools:** Companies will receive a market analytic tool, which integrates corporate shareholder communications, capital market information, investor contact management, and board-level reporting into a unified, easy-to use, workflow environment including mobile device access. This tool also provides information about research and earnings estimates on the company and helps companies identify potential purchasers of their stock using quantitative targeting and qualitative insights. This service has an approximate retail value of \$32,000[\$29,000] per year for two users,

\$45,000[\$40,000] for three users, and \$58,000[\$51,000] for four users.

**Market Advisory Tools:** Certain Companies will receive a choice from the following services.

(i) **Stock Surveillance:** a stock surveillance package, under which a dedicated analyst will, on a daily basis, utilize a mosaic of public, subscription and issuer-based data sources to monitor the daily movement and settlement activity of the Company's stock, provide alerts on significant increases in trading volume and block trading activity, offer color to any unusual change in stock price, and identify institutional buying and selling of the Company's shares. To fully utilize this service, Companies will have to subscribe to, and separately pay for, certain third party information, which is not included. This service has an approximate retail value of \$56,000[\$51,000] per year.

(ii) **Global Targeting:** Investor targeting specialists will help focus the Company's investor relations efforts on appropriate investors, tailor messaging to their interests and measure the Company's impact on their holdings. The analyst team will help develop a detailed plan aligning the targeting efforts with the Company's long-term ownership strategy. Analysis includes addressable risks and opportunities by region and investor type, and recommendations for where to focus time. This service has a retail value of approximately \$44,000[\$40,000] per year.

(iii) **Monthly Ownership Analytics and Event Driven Targeting:** Companies will receive a monthly shareholder analysis and tracking report highlighting the monthly movement and settlement of the Company's stock and providing insight around institutional shareholder activity. Companies will also receive a monthly call with an Advisory Analyst to interpret the results. To assist in focusing their efforts effectively, Companies will receive shareholder targeting around one event each year, such as a roadshow or investor conference. To fully utilize this service, Companies will have to subscribe to, and separately pay for, certain third party information, which is not included. This service has a retail value of approximately \$48,000[\$46,000] per year.

(iv) **Annual Perception Study:** Companies will receive an annual perception study designed to identify how the Company is perceived by key stakeholders. Detailed interviews with the institutional investment community will be conducted, featuring quantitative and qualitative questions targeted to the Company's needs. The

responses will be analyzed and the Company will be provided with actionable recommendations for enhancing perception in the market and guidance to implement these changes. This service has a retail value of approximately \$38,000[\$35,000] per year.

**(b) Eligible New Listings**

- (1) An Eligible New Listing that has a market capitalization of up to \$750 million will receive the following complimentary services for two years: Whistleblower Hotline, Investor Relations Website, \$15,000 per year of Disclosure Services, Audio Webcasting and Market Analytic Tools for two users. The total retail value of these services is approximately \$75,000[\$70,500] per year. In addition, one-time development fees of approximately \$5,000[\$3,500] to establish the services in the first year will be waived.
- (2) An Eligible New Listing that has a market capitalization of \$750 million or more but less than \$5 billion will receive the following complimentary services for two years: Whistleblower Hotline, Investor Relations Website, \$20,000 per year of Disclosure Services, Audio Webcasting, Market Analytic Tools for two users and the choice of one Market Advisory Tool. The total retail value of these services is up to approximately \$136,000[\$126,500] per year. In addition, one-time development fees of approximately \$5,000[\$3,500] to establish the services in the first year will be waived.
- (3) An Eligible New Listing that has a market capitalization of \$5 billion or more will receive the following complimentary services for two years: Whistleblower Hotline, Investor Relations Website, \$20,000 per year of Disclosure Services, Audio Webcasting, Market Analytic Tools for two users and the choice of two Market Advisory Tools. The total retail value of these services is up to approximately \$180,000[\$166,500] per year. In addition, one-time development fees of approximately \$5,000[\$3,500] to establish the services in the first year will be waived.

**(c) Eligible Switches**

- (1) An Eligible Switch that has a market capitalization of up to \$750 million will receive the following complimentary services for two years: Whistleblower Hotline, Investor Relations Website, \$15,000 per year of Disclosure Services, Audio Webcasting and Market Analytic Tools for two users. The total retail value of these services is approximately \$75,000[\$70,500] per year. In addition, one-time development fees of approximately \$5,000[\$3,500] to establish the services in the first year will be waived.
- (2) An Eligible Switch that has a market capitalization of \$750 million or more but less than \$5 billion will receive the following complimentary services for four years: Whistleblower Hotline, Investor Relations Website, \$20,000 per year of

Disclosure Services, Audio Webcasting, Market Analytic Tools for three users and the choice of one Market Advisory Tool. The total retail value of these services is up to approximately \$149,000[\$137,500] per year. In addition, one-time development fees of approximately \$5,000[\$3,500] to establish the services in the first year will be waived.

- (3) An Eligible Switch that has a market capitalization of \$5 billion or more will receive the following complimentary services for four years: Whistleblower Hotline, Investor Relations Website, \$20,000 per year of Disclosure Services, Audio Webcasting, Market Analytic Tools for four users and the choice of two Market Advisory Tools. The total retail value of these services is up to approximately \$206,000[\$188,500] per year. In addition, one-time development fees of approximately \$5,000[\$3,500] to establish the services in the first year will be waived.

(d) – (e) No change.