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

Section 806(e)(1) *

Section 806(e)(2) *

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) *

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

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

Executive Vice President and General Counsel

Edward S. Knight

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.
**Form 19b-4 Information**

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**

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**

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**

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**

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**

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**

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**

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

   (a) The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)\(^1\) and Rule 19b-4 thereunder,\(^2\) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to amend the Exchange’s transaction fees at Rule 7015(b) to provide for port connectivity the FINRA/Nasdaq Trade Reporting Facility Chicago, as described further below.

   A notice of the proposed rule change for publication in the **Federal Register** is attached as Exhibit 1. The text of the proposed rule change is attached as Exhibit 5.

   (b) Not applicable.

   (c) Not applicable.

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

   The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors (the “Board”) on 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:

   Brett Kitt  
   Senior Associate General Counsel  
   Nasdaq, Inc.  
   (301) 978-8132.

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

a. **Purpose**

The Exchange proposes to amend Rules 7015(b) to establish fees for Financial Information Exchange or “FIX” Port connectivity to the FINRA/Nasdaq Trade Reporting Facility Chicago (“FINRA/Nasdaq TRF Chicago”). The FINRA/Nasdaq TRF Chicago is a second iteration of the FINRA/Nasdaq Trade Reporting Facility (now known as the FINRA/Nasdaq Trade Reporting Facility Carteret or “FINRA/Nasdaq TRF Carteret”) that the Commission approved on June 29, 2018. The FINRA/Nasdaq TRF Chicago is expected to launch in September 2018.

The proposal will amend Rule 7015(b), which presently charges a $500 per port per month fee for FIX Ports to connect to the “FINRA/Nasdaq Trade Reporting Facility, ORF, and TRACE.” The proposal will amend this provision of the Rule to: (i) refer to the FINRA/Nasdaq Trade Facility by its new name, the “FINRA/Nasdaq TRF Carteret”; (ii) apply a $500 per port per month fee to FIX Ports to connect to the FINRA/Nasdaq TRF Chicago; and (3) waive this fee for FIX Port connections to the FINRA/Nasdaq TRF Chicago until November 1, 2018 so as to encourage firms to test connectivity to the new facility and also to provide them with a transition period to adjust to the new fees. As of November 1, 2018, the same fee that the Exchange charges for FIX Ports to connect to

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the FINRA/Nasdaq TRF Carteret will apply to FIX Port connections to the FINRA/Nasdaq TRF Chicago.\(^4\)

b. **Statutory Basis**

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,\(^5\) in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,\(^6\) in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that the Exchange’s proposal to charge a fee for FIX Ports that connect to the FINRA/Nasdaq TRF Chicago is reasonable because the proposed fee accounts for the costs to the Exchange of developing and maintaining connectivity to the FINRA/Nasdaq TRF Chicago. The proposed fee is also reasonable because it mirrors a fee that the Exchange already charges for connections to the FINRA/Nasdaq TRF Carteret, which is the sister facility to the FINRA/Nasdaq TRF Chicago and to which the Chicago facility will be identical in all material respects.

The Exchange also believes that it is reasonable to waive the aforementioned fee for a brief transition period to allow participants to test and configure their connections to the FINRA/Nasdaq TRF Chicago and also to facilitate an adjustment to the new fees.

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\(^4\) For avoidance of doubt, the Exchange notes that a firm that pays a fee for a FIX Port to connect to the FINRA/Nasdaq TRF Carteret will also be liable for an additional fee to connect to the FINRA/Nasdaq TRF Chicago.


\(^6\) 15 U.S.C. 78f(b)(4) and (5).
The Exchange believes that the proposal is an equitable allocation and is not unfairly discriminatory because the Exchange will apply the same fee – and the same fee waiver – to all similarly situated members that choose to connect to the FINRA/Nasdaq TRF Chicago. It is also equitable to temporarily waive fees for connecting to the new facility because doing so will ease the burden of testing and configuring the connections.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. In terms of inter-market competition, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

In this instance, the proposed changes do not impose a burden on competition because the proposed fee for connectivity to the FINRA/Nasdaq TRF Chicago will be the same as that which the Exchange presently charges to connect to the Chicago facility’s sister facility, the FINRA/Nasdaq TRF Carteret. Moreover, use of and connection to the FINRA/Nasdaq TRF Chicago is voluntary. If a firm does not wish to pay fees to connect
to the FINRA/Nasdaq TRF Chicago, it may choose instead to connect to a competing trade reporting facility that charges lower fees.

Lastly, the proposed fee waiver does not burden competition because it will apply only for a brief transition period. Such transitional fee waivers are a commonly accepted means of facilitating the adoption, testing, and use of new functionalities and the attraction of new participants.⁷

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

No written comments were either solicited or received.

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

Not applicable.

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

Pursuant to Section 19(b)(3)(A)(ii) of the Act,⁸ the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

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

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the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

8. **Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission**
   
   Not applicable.

9. **Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act**
   
   Not applicable.

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

    Not applicable.

11. **Exhibits**


    5. Text of the proposed rule change.
Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Rule 7015(b) to Provide for Port Connectivity the FINRA/Nasdaq Trade Reporting Facility Chicago

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 July 6, 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 amend the Exchange’s transaction fees at Rule 7015(b) to provide for port connectivity the FINRA/Nasdaq Trade Reporting Facility Chicago, as described further below. The text of the proposed rule change is available on the Exchange’s Website at [http://nasdaq.cchwallstreet.com/](http://nasdaq.cchwallstreet.com/), at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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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 proposes to amend Rules 7015(b) to establish fees for Financial Information Exchange or “FIX” Port connectivity to the FINRA/Nasdaq Trade Reporting Facility Chicago (“FINRA/Nasdaq TRF Chicago”). The FINRA/Nasdaq TRF Chicago is a second iteration of the FINRA/Nasdaq Trade Reporting Facility (now known as the FINRA/Nasdaq Trade Reporting Facility Carteret or “FINRA/Nasdaq TRF Carteret”) that the Commission approved on June 29, 2018.3 The FINRA/Nasdaq TRF Chicago is expected to launch in September 2018.

The proposal will amend Rule 7015(b), which presently charges a $500 per port per month fee for FIX Ports to connect to the “FINRA/Nasdaq Trade Reporting Facility, ORF, and TRACE.” The proposal will amend this provision of the Rule to: (i) refer to the FINRA/Nasdaq Trade Facility by its new name, the “FINRA/Nasdaq TRF Carteret”; (ii) apply a $500 per port per month fee to FIX Ports to connect to the FINRA/Nasdaq TRF Chicago; and (3) waive this fee for FIX Port connections to the FINRA/Nasdaq TRF Carteret.

Chicago until November 1, 2018 so as to encourage firms to test connectivity to the new facility and also to provide them with a transition period to adjust to the new fees. As of November 1, 2018, the same fee that the Exchange charges for FIX Ports to connect to the FINRA/Nasdaq TRF Carteret will apply to FIX Port connections to the FINRA/Nasdaq TRF Chicago.4

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,5 in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,6 in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that the Exchange’s proposal to charge a fee for FIX Ports that connect to the FINRA/Nasdaq TRF Chicago is reasonable because the proposed fee accounts for the costs to the Exchange of developing and maintaining connectivity to the FINRA/Nasdaq TRF Chicago. The proposed fee is also reasonable because it mirrors a fee that the Exchange already charges for connections to the FINRA/Nasdaq TRF Carteret, which is the sister facility to the FINRA/Nasdaq TRF Chicago and to which the Chicago facility will be identical in all material respects.

4 For avoidance of doubt, the Exchange notes that a firm that pays a fee for a FIX Port to connect to the FINRA/Nasdaq TRF Carteret will also be liable for an additional fee to connect to the FINRA/Nasdaq TRF Chicago.


6 15 U.S.C. 78f(b)(4) and (5).
The Exchange also believes that it is reasonable to waive the aforementioned fee for a brief transition period to allow participants to test and configure their connections to the FINRA/Nasdaq TRF Chicago and also to facilitate an adjustment to the new fees.

The Exchange believes that the proposal is an equitable allocation and is not unfairly discriminatory because the Exchange will apply the same fee – and the same fee waiver – to all similarly situated members that choose to connect to the FINRA/Nasdaq TRF Chicago. It is also equitable to temporarily waive fees for connecting to the new facility because doing so will ease the burden of testing and configuring the connections.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. In terms of inter-market competition, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

In this instance, the proposed changes do not impose a burden on competition because the proposed fee for connectivity to the FINRA/Nasdaq TRF Chicago will be the same as that which the Exchange presently charges to connect to the Chicago facility’s
sister facility, the FINRA/Nasdaq TRF Carteret. Moreover, use of and connection to the
FINRA/Nasdaq TRF Chicago is voluntary. If a firm does not wish to pay fees to connect
to the FINRA/Nasdaq TRF Chicago, it may choose instead to connect to a competing
trade reporting facility that charges lower fees.

Lastly, the proposed fee waiver does not burden competition because it will apply
only for a brief transition period. Such transitional fee waivers are a commonly accepted
means of facilitating the adoption, testing, and use of new functionalities and the
attraction of new participants.7

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

No written comments were either solicited or received.

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

The foregoing rule change has become effective pursuant to Section
19(b)(3)(A)(ii) of the Act.8

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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connections to the re-platformed Nasdaq ISE Exchange).

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-2018-056 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-2018-056. 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-2018-056 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.\(^9\)

Eduardo A. Aleman  
Assistant Secretary

7015. Ports and other Services †

The charges under this rule are assessed by Nasdaq for connectivity to services and the following systems operated by Nasdaq or FINRA: the Nasdaq Market Center, FINRA Trade Reporting and Compliance Engine (TRACE), the FINRA/Nasdaq Trade Reporting Facility, FINRA's OTCBB Service, and the FINRA OTC Reporting Facility (ORF). The following fees are not applicable to The Nasdaq Options Market LLC. For related options fees for Ports and other Services refer to Chapter XV, Section 3 of the Options Rules.

(a) No change.

(b) Financial Information Exchange (FIX)

<table>
<thead>
<tr>
<th>Ports</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIX Trading Port (FIX, FIX Lite (FLITE), BRUT FIX, and SUMO FIX)</td>
<td>$575/port/month</td>
</tr>
<tr>
<td>FIX Port for Services Other than Trading (FINRA/Nasdaq Trade Reporting Facilities Carteret and Chicago, ORF, and TRACE)</td>
<td>$500/port/month*</td>
</tr>
</tbody>
</table>

Disaster recovery port

(1) FIX Trading Port  $25/port/month

(2) FIX Port for Services Other than Trading  No charge

(c) – (j) No change.

†Fees are assessed in full month increments under this section, and thus are not prorated.

*This fee that is otherwise applicable to the FINRA/Nasdaq Trade Reporting Facility Chicago shall be waived until November 1, 2018.

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