Filing by The Nasdaq Stock Market LLC

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Proposal to revise The Nasdaq Options Market LLC Rules at Options 7, Section 5 to amend the Nasdaq Options Regulatory Fee
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 ("Exchange" or "Nasdaq"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act") and Rule 19b-4 thereunder, is filing with the Securities and Exchange Commission ("Commission") a proposal to revise The Nasdaq Options Market LLC’s Rules ("NOM") at Options 7, Section 5 to amend the Nasdaq Options Regulatory Fee or "ORF.”

   A notice of the proposed rule change for publication in the Federal Register is at Exhibit 1. The text of the proposed rule change is at 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 26, 2018. 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:

   Angela Saccomandi Dunn  
   Principal Associate General Counsel  
   Nasdaq, Inc.  
   215-496-5692

---

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

   a. **Purpose**

   Currently, Nasdaq assesses an ORF of $0.0008 per contract side. The Exchange proposes to increase this ORF to $0.0020 per contract side as of February 1, 2019. In light of recent market volumes, the Exchange is proposing to increase the amount of ORF that will be collected by the Exchange. The proposal would allow the Exchange to increase the per contract amount of ORF in order to offset the Exchange anticipated regulatory costs. The Exchange’s proposed change to the ORF should balance the Exchange’s regulatory revenue against the anticipated regulatory costs. The Exchange also proposes to delete obsolete language in the rule text as described herein.

   **Collection of ORF**

   Currently, NOM assesses its ORF for each customer option transaction that is either: (1) executed by a Participant on NOM; or (2) cleared by a NOM Participant at The Options Clearing Corporation (“OCC”) in the customer range,\(^3\) even if the transaction was executed by a non-member of NOM, regardless of the exchange on which the transaction occurs.\(^4\) If the OCC clearing member is a NOM Participant, ORF is assessed and collected on all cleared customer contracts (after adjustment for CMTA\(^5\)); and (2) if the OCC clearing member is not a NOM Participant, ORF is collected only on the cleared

---

\(^3\) Participants must record the appropriate account origin code on all orders at the time of entry in order. The Exchange represents that it has surveillances in place to verify that members mark orders with the correct account origin code.

\(^4\) The Exchange uses reports from OCC when assessing and collecting the ORF.

\(^5\) CMTA or Clearing Member Trade Assignment is a form of “give-up” whereby the position will be assigned to a specific clearing firm at OCC.
customer contracts executed at NOM, taking into account any CMTA instructions which may result in collecting the ORF from a non-member.

By way of example, if Broker A, a NOM Participant, routes a customer order to CBOE and the transaction executes on CBOE and clears in Broker A’s OCC Clearing account, ORF will be collected by NOM from Broker A’s clearing account at OCC via direct debit. While this transaction was executed on a market other than NOM, it was cleared by a NOM Participant in the member’s OCC clearing account in the customer range, therefore there is a regulatory nexus between NOM and the transaction. If Broker A was not a NOM Participant, then no ORF should be assessed and collected because there is no nexus; the transaction did not execute on NOM nor was it cleared by a NOM Participant.

In the case where a Participant both executes a transaction and clears the transaction, the ORF is assessed to and collected from that Participant. In the case where a Participant executes a transaction and a different member clears the transaction, the ORF is assessed to and collected from the Participant who clears the transaction and not the Participant who executes the transaction. In the case where a non-member executes a transaction at an away market and a Participant clears the transaction, the ORF is assessed to and collected from the Participant who clears the transaction. In the case where a Participant executes a transaction on NOM and a non-member clears the transaction, the ORF is assessed to the Participant that executed the transaction on NOM and collected from the non-member who cleared the transaction. In the case where a Participant executes a transaction at an away market and a non-member clears the transaction, the ORF is not assessed to the Participant who executed the transaction or
collected from the non-member who cleared the transaction because the Exchange does not have access to the data to make absolutely certain that ORF should apply. Further, the data does not allow the Exchange to identify the Participant executing the trade at an away market.

*ORF Revenue and Monitoring of ORF*

The Exchange monitors the amount of revenue collected from the ORF to ensure that it, in combination with other regulatory fees and fines, does not exceed regulatory costs. In determining whether an expense is considered a regulatory cost, the Exchange reviews all costs and makes determinations if there is a nexus between the expense and a regulatory function. The Exchange notes that fines collected by the Exchange in connection with a disciplinary matter offset ORF.

The ORF is designed to recover a material portion of the costs to the Exchange of the supervision and regulation of its members, including performing routine surveillances, investigations, examinations, financial monitoring, and policy, rulemaking, interpretive, and enforcement activities.

The Exchange believes that revenue generated from the ORF, when combined with all of the Exchange’s other regulatory fees, will cover a material portion, but not all, of the Exchange’s regulatory costs. The Exchange will continue to monitor the amount of revenue collected from the ORF to ensure that it, in combination with its other regulatory fees and fines, does not exceed regulatory costs. If the Exchange determines regulatory revenues exceed regulatory costs, the Exchange will adjust the ORF by submitting a fee change filing to the Commission.
Proposal

The Exchange proposes to increase the ORF from $0.0008 to $0.0020 per contract side as of February 1, 2019. In light of recent market volumes, the Exchange is proposing to increase the amount of ORF that will be collected by the Exchange. The proposal would allow the Exchange to increase the per contract amount of ORF in order to offset the Exchange anticipated regulatory costs. The Exchange proposes to add the following rule text to Options 7, Section 5, “NOM Participants will be assessed an Options Regulatory Fee of $0.0020 per contract side as of February 1, 2019.”

The Exchange regularly reviews its ORF to ensure that the ORF, in combination with its other regulatory fees and fines, does not exceed regulatory costs. The Exchange believes this adjustment will permit the Exchange to cover a material portion of its regulatory costs, while not exceeding regulatory costs.

The Exchange notified Participants via an Options Trader Alert of the proposed change to the ORF thirty (30) calendar days prior to the proposed operative date, February 1, 2019. The Exchange believes that the prior notification market participants will ensure market participants are prepared to configure their systems to account properly for the ORF.

Finally, the Exchange proposes to remove the following rule text from Options 7, Section 5, “NOM Participants are assessed an Options Regulatory Fee of $0.0027 per contract side. NOM Participants will be assessed an Options Regulatory Fee of $0.0008 per contract side as of August 1, 2018”. This text is obsolete as it references prior ORF rates which were effective in the past.

---

See Options Trader Alert #2018-46.
b. **Statutory Basis**

The Exchange believes that its proposal is consistent with Section 6(b) of the Act\(^7\) in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act\(^8\) 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 its facility and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that increasing the ORF from $0.0008 to $0.0020 per contract side as of February 1, 2019 is reasonable because with this increase, the Exchange would recoup additional regulatory revenue to offset anticipated regulatory costs. The Exchange believes that the proposed adjustments noted herein will serve to balance the Exchange’s regulatory revenue against the anticipated regulatory costs.

The Exchange believes that increasing the ORF from $0.0008 to $0.0020 per contract side as of February 1, 2019 is equitable and not unfairly discriminatory because assessing the ORF to each Participant for options transactions cleared by OCC in the customer range where the execution occurs on another exchange and is cleared by a NOM Participant is an equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities. OCC collects the ORF on behalf of NOM from Exchange clearing members for all customer transactions they clear or from non-members for all customer transactions they clear that were executed on NOM. The Exchange believes the ORF ensures fairness by assessing fees to Participants based on the amount of customer options business they conduct. Regulating

\(^7\) 15 U.S.C. 78f(b).

\(^8\) 15 U.S.C. 78f(b)(4) and (5).
customer trading activity is much more labor intensive and requires greater expenditure of human and technical resources than regulating non-customer trading activity, which tends to be more automated and less labor-intensive. As a result, the costs associated with administering the customer component of the Exchange’s overall regulatory program are materially higher than the costs associated with administering the non-customer component (e.g., Participant proprietary transactions) of its regulatory program.

The ORF is designed to recover a material portion of the costs of supervising and regulating Participants’ customer options business including performing routine surveillances, investigations, examinations, financial monitoring, and policy, rulemaking, interpretive, and enforcement activities. The Exchange will monitor the amount of revenue collected from the ORF to ensure that it, in combination with its other regulatory fees and fines, does not exceed the Exchange’s total regulatory costs. The Exchange has designed the ORF to generate revenues that, when combined with all of the Exchange’s other regulatory fees, will be less than or equal to the Exchange’s regulatory costs, which is consistent with the Commission’s view that regulatory fees be used for regulatory purposes and not to support the Exchange’s business side.

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. This proposal does not create an unnecessary or inappropriate intra-market burden on competition because the ORF applies to all customer activity, thereby raising regulatory revenue to offset regulatory expenses. It also supplements the regulatory revenue derived from non-customer activity. This proposal does not create an
unnecessary or inappropriate inter-market burden on competition because it is a regulatory fee that supports regulation in furtherance of the purposes of the Act. The Exchange is obligated to ensure that the amount of regulatory revenue collected from the ORF, in combination with its other regulatory fees and fines, does not exceed regulatory costs.

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

No written comments were either solicited or received.

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

Not applicable.

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

Pursuant to Section 19(b)(3)(A)(ii) of the Act,⁹ NOM has designated this proposal as establishing or changing a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

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

---

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

   The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

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 for publication in the Federal Register.
    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 the Nasdaq Options Regulatory Fee

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 February 1, 2019, 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 revise The Nasdaq Options Market LLC’s Rules ("NOM") at Options 7, Section 5 to amend the Nasdaq Options Regulatory Fee or "ORF."

The text of the proposed rule change is available on the Exchange’s Website at http://nasdaq.cchwallstreet.com/, at the principal office of the Exchange, and at the Commission’s Public Reference Room.


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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

Currently, Nasdaq assesses an ORF of $0.0008 per contract side. The Exchange proposes to increase this ORF to $0.0020 per contract side as of February 1, 2019. In light of recent market volumes, the Exchange is proposing to increase the amount of ORF that will be collected by the Exchange. The proposal would allow the Exchange to increase the per contract amount of ORF in order to offset the Exchange anticipated regulatory costs. The Exchange’s proposed change to the ORF should balance the Exchange’s regulatory revenue against the anticipated regulatory costs. The Exchange also proposes to delete obsolete language in the rule text as described herein.

Collection of ORF

Currently, NOM assesses its ORF for each customer option transaction that is either: (1) executed by a Participant on NOM; or (2) cleared by a NOM Participant at The Options Clearing Corporation (“OCC”) in the customer range, even if the transaction

Participants must record the appropriate account origin code on all orders at the time of entry in order. The Exchange represents that it has surveillances in place to verify that members mark orders with the correct account origin code.
was executed by a non-member of NOM, regardless of the exchange on which the
transaction occurs.⁴ If the OCC clearing member is a NOM Participant, ORF is assessed
and collected on all cleared customer contracts (after adjustment for CMTA⁵); and (2) if
the OCC clearing member is not a NOM Participant, ORF is collected only on the cleared
customer contracts executed at NOM, taking into account any CMTA instructions which
may result in collecting the ORF from a non-member.

By way of example, if Broker A, a NOM Participant, routes a customer order to
CBOE and the transaction executes on CBOE and clears in Broker A’s OCC Clearing
account, ORF will be collected by NOM from Broker A’s clearing account at OCC via
direct debit. While this transaction was executed on a market other than NOM, it was
cleared by a NOM Participant in the member’s OCC clearing account in the customer
range, therefore there is a regulatory nexus between NOM and the transaction. If Broker
A was not a NOM Participant, then no ORF should be assessed and collected because
there is no nexus; the transaction did not execute on NOM nor was it cleared by a NOM
Participant.

In the case where a Participant both executes a transaction and clears the
transaction, the ORF is assessed to and collected from that Participant. In the case where
a Participant executes a transaction and a different member clears the transaction, the
ORF is assessed to and collected from the Participant who clears the transaction and not
the Participant who executes the transaction. In the case where a non-member executes a
transaction at an away market and a Participant clears the transaction, the ORF is

---

⁴ The Exchange uses reports from OCC when assessing and collecting the ORF.

⁵ CMTA or Clearing Member Trade Assignment is a form of “give-up” whereby
the position will be assigned to a specific clearing firm at OCC.
assessed to and collected from the Participant who clears the transaction. In the case
where a Participant executes a transaction on NOM and a non-member clears the
transaction, the ORF is assessed to the Participant that executed the transaction on NOM
and collected from the non-member who cleared the transaction. In the case where a
Participant executes a transaction at an away market and a non-member clears the
transaction, the ORF is not assessed to the Participant who executed the transaction or
collected from the non-member who cleared the transaction because the Exchange does
not have access to the data to make absolutely certain that ORF should apply. Further,
the data does not allow the Exchange to identify the Participant executing the trade at an
away market.

**ORF Revenue and Monitoring of ORF**

The Exchange monitors the amount of revenue collected from the ORF to ensure
that it, in combination with other regulatory fees and fines, does not exceed regulatory
costs. In determining whether an expense is considered a regulatory cost, the Exchange
reviews all costs and makes determinations if there is a nexus between the expense and a
regulatory function. The Exchange notes that fines collected by the Exchange in
connection with a disciplinary matter offset ORF.

The ORF is designed to recover a material portion of the costs to the Exchange of
the supervision and regulation of its members, including performing routine
surveillances, investigations, examinations, financial monitoring, and policy, rulemaking,
interpretive, and enforcement activities.

The Exchange believes that revenue generated from the ORF, when combined
with all of the Exchange’s other regulatory fees, will cover a material portion, but not all,
of the Exchange’s regulatory costs. The Exchange will continue to monitor the amount
of revenue collected from the ORF to ensure that it, in combination with its other regulatory fees and fines, does not exceed regulatory costs. If the Exchange determines regulatory revenues exceed regulatory costs, the Exchange will adjust the ORF by submitting a fee change filing to the Commission.

Proposal

The Exchange proposes to increase the ORF from $0.0008 to $0.0020 per contract side as of February 1, 2019. In light of recent market volumes, the Exchange is proposing to increase the amount of ORF that will be collected by the Exchange. The proposal would allow the Exchange to increase the per contract amount of ORF in order to offset the Exchange anticipated regulatory costs. The Exchange proposes to add the following rule text to Options 7, Section 5, “NOM Participants will be assessed an Options Regulatory Fee of $0.0020 per contract side as of February 1, 2019.”

The Exchange regularly reviews its ORF to ensure that the ORF, in combination with its other regulatory fees and fines, does not exceed regulatory costs. The Exchange believes this adjustment will permit the Exchange to cover a material portion of its regulatory costs, while not exceeding regulatory costs.

The Exchange notified Participants via an Options Trader Alert of the proposed change to the ORF thirty (30) calendar days prior to the proposed operative date, February 1, 2019. The Exchange believes that the prior notification market participants will ensure market participants are prepared to configure their systems to account properly for the ORF.

---

6 See Options Trader Alert #2018-46.
Finally, the Exchange proposes to remove the following rule text from Options 7, Section 5, “NOM Participants are assessed an Options Regulatory Fee of $0.0027 per contract side. NOM Participants will be assessed an Options Regulatory Fee of $0.0008 per contract side as of August 1, 2018”. This text is obsolete as it references prior ORF rates which were effective in the past.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act\(^7\) in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act\(^8\) 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 its facility and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that increasing the ORF from $0.0008 to $0.0020 per contract side as of February 1, 2019 is reasonable because with this increase, the Exchange would recoup additional regulatory revenue to offset anticipated regulatory costs. The Exchange believes that the proposed adjustments noted herein will serve to balance the Exchange’s regulatory revenue against the anticipated regulatory costs.

The Exchange believes that increasing the ORF from $0.0008 to $0.0020 per contract side as of February 1, 2019 is equitable and not unfairly discriminatory because assessing the ORF to each Participant for options transactions cleared by OCC in the customer range where the execution occurs on another exchange and is cleared by a NOM Participant is an equitable allocation of reasonable dues, fees, and other charges.


\(^{8}\) 15 U.S.C. 78f(b)(4) and (5).
among its members and issuers and other persons using its facilities. OCC collects the ORF on behalf of NOM from Exchange clearing members for all customer transactions they clear or from non-members for all customer transactions they clear that were executed on NOM. The Exchange believes the ORF ensures fairness by assessing fees to Participants based on the amount of customer options business they conduct. Regulating customer trading activity is much more labor intensive and requires greater expenditure of human and technical resources than regulating non-customer trading activity, which tends to be more automated and less labor-intensive. As a result, the costs associated with administering the customer component of the Exchange’s overall regulatory program are materially higher than the costs associated with administering the non-customer component (e.g., Participant proprietary transactions) of its regulatory program.

The ORF is designed to recover a material portion of the costs of supervising and regulating Participants’ customer options business including performing routine surveillances, investigations, examinations, financial monitoring, and policy, rulemaking, interpretive, and enforcement activities. The Exchange will monitor the amount of revenue collected from the ORF to ensure that it, in combination with its other regulatory fees and fines, does not exceed the Exchange’s total regulatory costs. The Exchange has designed the ORF to generate revenues that, when combined with all of the Exchange’s other regulatory fees, will be less than or equal to the Exchange’s regulatory costs, which is consistent with the Commission’s view that regulatory fees be used for regulatory purposes and not to support the Exchange’s business side.

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. This proposal does not create an unnecessary or inappropriate intra-market burden on competition because the ORF applies to all customer activity, thereby raising regulatory revenue to offset regulatory expenses. It also supplements the regulatory revenue derived from non-customer activity. This proposal does not create an unnecessary or inappropriate inter-market burden on competition because it is a regulatory fee that supports regulation in furtherance of the purposes of the Act. The Exchange is obligated to ensure that the amount of regulatory revenue collected from the ORF, in combination with its other regulatory fees and fines, does not exceed regulatory costs.

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

No written comments were either solicited or received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.9

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

IV. Solicitation of Comments

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

Electronic comments:

• Use the Commission’s Internet comment form
  (http://www.sec.gov/rules/sro.shtml); or

• Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NASDAQ-2019-006 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-2019-006. 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-2019-006 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁰

Eduardo A. Aleman
Assistant Secretary

The Nasdaq Stock Market Rules

Options Rules

Options 7 Pricing Schedule

Section 5 Nasdaq Options Regulatory Fee
[NOM Participants are assessed an Options Regulatory Fee of $0.0027 per contract side. NOM Participants will be assessed an Options Regulatory Fee of $0.0008 per contract side as of August 1, 2018]

NOM Participants will be assessed an Options Regulatory Fee of $0.0020 per contract side as of February 1, 2019.

The Options Regulatory Fee (“ORF”) is assessed by NOM to each NOM Participant for options transactions cleared by OCC in the Customer range where: (1) the execution occurs on NOM or (2) the execution occurs on another exchange and is cleared by a NOM Participant. The ORF is collected by OCC on behalf of NOM from (1) NOM clearing members for all Customer transactions they clear or (2) non-members for all Customer transactions they clear that were executed on NOM. NOM uses reports from OCC when assessing and collecting ORF. The Exchange will notify Participants via an Options Trader Alert of any change in the amount of the fee at least 30 calendar days prior to the effective date of the change.

NOM Participants who do not transact an equities business on The Nasdaq Stock Market LLC in a calendar year will receive a refund of the fees specified in Equity 7, Section 30(b) upon written notification to the Exchange along with documentation evidencing that no equities business was conducted on The Nasdaq Stock Market for that calendar year. The Exchange will accept refund requests up until sixty (60) days after the end of the calendar year.