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Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No.* SR - 2020 - * 041
Amendment No. (req. for Amendments *)

Filing by The Nasdaq Stock Market LLC

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

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
☑	☐	☐	☐	☑	☐

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Rule

- ☐ 19b-4(f)(1)
- ☑ 19b-4(f)(2)
- ☐ 19b-4(f)(3)
- ☐ 19b-4(f)(4)
- ☐ 19b-4(f)(5)
- ☐ 19b-4(f)(6)

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 ☐

Description

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

A proposal to amend the Exchanges transaction fees at Equity 7, Section 118(a)

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 * Brett   Last Name * Kitt
Title * Principal Senior Associate General Counsel
E-mail * brett.kitt@nasdaq.com
Telephone * (301) 978-8132   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.

Date 07/09/2020

By John Zecca

(Name *)

(Title *)

EVP and Chief Legal Counsel

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.

john.zecca@nasdaq.com

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information * Add Remove View	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 * 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, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications Add Remove View Exhibit Sent As Paper Document ☐	Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.
Exhibit 3 - Form, Report, or Questionnaire Add Remove View 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 Add Remove View	The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.
Exhibit 5 - Proposed Rule Text Add Remove View	The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.
Partial Amendment Add Remove View	If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) The Nasdaq Stock Market LLC ("Nasdaq" or "Exchange"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b-4 thereunder,[2] is filing with the Securities and Exchange Commission ("SEC" or "Commission") a proposal to amend the Exchange's transaction fees at Equity 7, Section 118(a) to: (i) establish two new credit tiers; and (ii) adjust the qualification requirements for an existing credit tier, 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 26, 2019. 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
Principal Senior Associate General Counsel
Nasdaq, Inc.
(301) 978-8132.

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[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b-4.

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

a. Purpose

The purpose of the proposed rule change is to amend the schedule of credits it provides to members, pursuant to Equity 7, Section 118(a), in several respects.

First, the Exchange proposes to raise its requirements to qualify for an existing credit of $0.00305 per share executed that it provides to a member: (i) with shares of liquidity provided in all securities during the month representing at least 0.60% of Consolidated Volume[3] during the month, through one or more of its Nasdaq Market Center MPIDs; (ii) which adds Nasdaq Options Market ("NOM") Market Maker[4] liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 0.10% or more of total industry average daily volume ("ADV") in the customer clearing range for equity and ETF option contracts per day in a month on NOM; and (iii) which adds Customer, [5] Professional, [6] Firm,[7] Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny

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3 Pursuant to Equity 7, Section 118(a), the term "Consolidated Volume" means the total consolidated volume reported to all consolidated transaction reporting plans by all exchanges and trade reporting facilities during a month in equity securities, excluding executed orders with a size of less than one round lot. For purposes of calculating Consolidated Volume and the extent of a member's trading activity the date of the annual reconstitution of the Russell Investments Indexes is excluded from both total Consolidated Volume and the member's trading activity.

4 The term "NOM Market Maker" means a broker-dealer registered with NOM for the purpose of making markets in options contracts traded on NOM.

5 The term "Customer" means a broker-dealer or a person that is not a broker or dealer in securities. See Options 1, Section 1(a)(15).

6 A "Professional" is defined in Options 1, Section 1(a)(47) of the NOM rules as "any person or entity that (i) is not a broker or dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s)."

7 The term "Firm" applies to any transaction that is identified by a Participant for clearing in the Firm range at OCC.

Pilot Options and/or Non-Penny Pilot Options of 1.50% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on NOM. Specifically, the Exchange proposes to raise the qualifying 0.60% Consolidated Volume threshold to 0.95% and the qualifying 0.10% ADV threshold to 0.20%. The Exchange intends to raise the first of these qualification thresholds to incentivize members to increase the extent of their liquidity adding activity on the Exchange to qualify for and to continue to qualify for this credit. The Exchange intends to raise the second of these thresholds to incentivize members that also act as NOM Market Makers to increase the extent of their liquidity providing activity on NOM. With these proposed changes, the Exchange intends to improve the quality of both its equities market and also NOM.

Second, the Exchange proposes to provide a new credit for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) of $0.00295 per share executed to a member, through one or more of its Nasdaq Market Center MPIDs: (i) with shares of liquidity provided in all securities during the month representing at least 0.50% of Consolidated Volume during the month; (ii) which adds at least 0.35% of Consolidated Volume during the month in securities in Tape C; and (iii) which adds at least 0.15% of Consolidated Volume during the month in Designated Retail Orders[8] for securities in any Tape. The purpose of this credit is to provide

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8 A "Designated Retail Order" is an agency or riskless principal order that meets the criteria of FINRA Rule 5320.03 and that originates from a natural person and is submitted to Nasdaq by a member that designates it as such, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology. An order from a "natural person" can include orders on behalf of accounts that are held in a corporate legal form -- such as an

members with a new incentive to add significant amounts of liquidity to the Exchange and, in particular, to add significant volumes of liquidity in securities in Tape C and in retail orders in securities in all Tapes. An increase in liquidity adding activity on the Exchange would help to improve the quality of the market for all participants, including but not limited to retail investors.

Lastly, the Exchange proposes to adopt a supplemental $0.00005 per share executed credit for displayed quotes/orders (other than Supplemental Orders) that add liquidity for a member, through one or more of its Nasdaq Market Center MPIDs: (i) with shares of liquidity provided in all securities during the month representing at least 0.50% of Consolidated Volume during the month; (ii) which adds at least 0.35% of Consolidated Volume during the month in securities in Tape C; (iii) which adds at least 0.15% of Consolidated Volume during the month in Designated Retail Orders for securities in any Tape; and (iv) which achieves at least a 60% add to total volume (adding and removing) ratio during a month. The Exchange refers to this proposed credit as "supplemental" because members may earn it in addition to other credits.   The Exchange intends for the supplemental credit to provide a further incentive for members to increase the proportion of their activity on the Exchange that is attributable to adding liquidity.

Individual Retirement Account, Corporation, or a Limited Liability Company -- that has been established for the benefit of an individual or group of related family members, provided that the order is submitted by an individual. Members must submit a signed written attestation, in a form prescribed by Nasdaq, that they have implemented policies and procedures that are reasonably designed to ensure that substantially all orders designated by the member as Designated Retail Orders comply with these requirements. Orders may be designated on an order-by-order basis, or by designating all orders on a particular order entry port as Designated Retail Orders.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[9] in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,[10] 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 proposal is also consistent with Section 11A of the Act relating to the establishment of the national market system for securities.

The Proposal is Reasonable

The Exchange's proposed changes to its schedule of credits are reasonable in several respects. As a threshold matter, the Exchange is subject to significant competitive forces in the market for equity securities transaction services that constrain its pricing determinations in that market. The fact that this market is competitive has long been recognized by the courts. In NetCoalition v. Securities and Exchange Commission, the D.C. Circuit stated as follows: "[n]o one disputes that competition for order flow is 'fierce.' … As the SEC explained, '[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange can afford to take its market share percentages for granted' because 'no exchange possesses a

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9 15 U.S.C. 78f(b).

10 15 U.S.C. 78f(b)(4) and (5).

monopoly, regulatory or otherwise, in the execution of order flow from broker dealers'…."[11]

The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, while adopting a series of steps to improve the current market model, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."[12]

Numerous indicia demonstrate the competitive nature of this market. For example, clear substitutes to the Exchange exist in the market for equity security transaction services. The Exchange is only one of several equity venues to which market participants may direct their order flow. Competing equity exchanges offer similar tiered pricing structures to that of the Exchange, including schedules of rebates and fees that apply based upon members achieving certain volume thresholds.

Within this environment, market participants can freely and often do shift their order flow among the Exchange and competing venues in response to changes in their respective pricing schedules. As such, the proposal represents a reasonable attempt by the Exchange to increase its liquidity and market share relative to its competitors.

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11 NetCoalition v. SEC, 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782-83 (December 9, 2008) (SR-NYSEArca-2006-21)).

12 Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) ("Regulation NMS Adopting Release").

In particular, the Exchange proposes to raise two of its thresholds to qualify for its $0.00305 per share executed credit as a reasonable means of helping to further increase liquidity on both the Exchange and NOM, which if successful, will also improve the quality of both markets. Furthermore, the Exchange notes that the activity of members that currently qualify for this credit has grown, both on the Exchange and on NOM, such that an increase in credit qualifying criteria is now needed to incentivize these market makers to further increase their liquidity providing activity.

The Exchange also believes that it is reasonable to establish a new $0.00295 per share executed credit as a means of incentivizing members to provide meaningful amounts of liquidity to the Exchange, including in securities in Tape C as well as in retail orders in securities in any Tape. To the extent that the Exchange succeeds in increasing liquidity adding activity on the Exchange, including in securities in Tape C and in attracting additional retail order flow, then the Exchange would experience improvements in its market quality, which would benefit all market participants.

For similar reasons, the Exchange believes that it is reasonable to establish a $0.00005 per share executed supplemental credit to members that achieve at least a 60% ratio of liquidity adding activity to total activity on the Exchange during a month, in addition to meeting the threshold of the new $0.00295 credit. This supplemental credit will serve as a heightened incentive for members to act as net adders of liquidity on the Exchange. Again, if this incentive works as intended, the Exchange believes that the quality of the market will improve accordingly.

The Exchange notes that those participants that are dissatisfied with the proposed new and amended credits are free to shift their order flow to competing venues.

The Proposal is an Equitable Allocation of Credits

The Exchange believes its proposal will allocate its credits fairly among its market participants.

In particular, it is equitable for the Exchange to raise two of its thresholds to qualify for its $0.00305 per share executed credit because the activity of members that currently qualify for this credit has grown, both on the Exchange and on NOM, such that an increase in credit qualifying criteria is now needed to incentivize these market makers to further increase their liquidity providing activity. An increase in liquidity adding activity on the Exchange and NOM would improve the quality of both markets, to the benefit of all participants.

The Exchange also believes that it is equitable to establish a new $0.00295 per share executed credit. Again, this proposed credit stands to improve the market quality of the Exchange, to the benefit of all participants, by incentivizing members to provide meaningful amounts of liquidity to the Exchange, including in securities in Tape C as well as in retail orders in securities in any Tape. The Exchange also believes that it is equitable to target the credit, in part, to increased activity in Designated Retail Orders, because attracting retail order flow stands to benefit not only retail investors, but also others with whom additional retail liquidity can interact. Likewise, it is equitable to target the credit, in part, to liquidity adding activity in securities in Tape C, because the Exchange believes that the market for such securities would benefit from additional liquidity. The Exchange notes that it has limited funds to apply in the form of incentives, and thus must deploy those limited funds to incentives that it believes will be the most effective at improving market quality in areas that the Exchange determines are in need of improvement.

For similar reasons, the Exchange believes that it is equitable to establish a $0.00005 per share executed supplemental credit to members that achieve at least a 60% ratio of liquidity adding activity to total activity on the Exchange during a month, in addition to meeting the requirements of the new $0.00295 credit. It is equitable to target the supplemental credit at members who act as net providers of liquidity to the Exchange because such members are most apt to help the Exchange to achieve its objective of increasing its pool of liquidity.

<u>The Proposed Amended Credits are not Unfairly Discriminatory</u>

The Exchange believes that the proposal is not unfairly discriminatory. As an initial matter, the Exchange believes that nothing about its volume-based tiered pricing model is inherently unfair; instead, it is a rational pricing model that is well-established and ubiquitous in today's economy among firms in various industries – from co-branded credit cards to grocery stores to cellular telephone data plans – that use it to reward the loyalty of their best customers that provide high levels of business activity and incent other customers to increase the extent of their business activity. It is also a pricing model that the Exchange and its competitors have long employed with the assent of the Commission. It is fair because it incentivizes customer activity that increases liquidity, enhances price discovery, and improves the overall quality of the equity markets.

Although the Exchange's proposal to raise the qualifying criteria for its $0.00305 per share executed credit will require members to add more liquidity to the Exchange and on NOM than is currently required to qualify for this credit, any resulting increase in liquidity on the Exchange will improve market-wide quality and price discovery, to the benefit of all participants. Moreover, to the extent that the proposal causes NOM Market Makers to increase the extent of their liquidity adding activity on NOM, NOM market quality will improve, and all NOM participants will benefit.

The Exchange also believes that its proposed $0.00295 per share executed credit is not unfairly discriminatory. Again, this proposed credit stands to improve the overall market quality of the Exchange, to the benefit of all participants, by incentivizing members to provide meaningful amounts of liquidity to the Exchange, including in securities in Tape C as well as in retail orders in securities in any Tape. It is not unfairly discriminatory to target the credit, in part, to increased activity in Designated Retail Orders, because attracting retail order flow stands to benefit not only retail investors, but also others with whom additional retail liquidity can interact. Likewise, it is not unfairly discriminatory to target the credit, in part, to liquidity adding activity in securities in Tape C, because the Exchange believes that the market for such securities would benefit from additional liquidity. The Exchange notes that it has limited funds to apply in the form of incentives, and thus must deploy those limited funds to incentives that it believes will be the most effective at improving market quality in areas that the Exchange determines are in need of improvement.

For similar reasons, the Exchange believes that its proposed $0.00005 per share executed supplemental credit is not unfairly discriminatory. Although the Exchange proposes to target the supplemental credit at net adders of liquidity to the Exchange, it notes that all participants will benefit to the extent that this credit leads to an improvement in overall market quality.

Finally, the Exchange notes that any participant that does not find the amended credits to be sufficiently attractive is free to shift its order flow to a competing venue.

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.

Intramarket Competition

The Exchange does not believe that its proposals will place any category of Exchange participant at a competitive disadvantage. To the contrary, the proposed changes will provides opportunities for members to receive new and amended credits based on their market-improving behavior. Any member may elect to provide the levels of market activity required in order to receive the new or amended credits.

Moreover, members are free to trade on other venues to the extent they believe that the credits provided are too low or the qualification criteria are not attractive. As one can observe by looking at any market share chart, price competition between exchanges is fierce, with liquidity and market share moving freely between exchanges in reaction to fee and credit changes. The Exchange notes that the tier structure is consistent with broker-dealer fee practices as well as the other industries, as described above.

Intermarket Competition

The Exchange believes that its proposed modification to its schedule of credits will not impose a burden on competition because the Exchange's execution services are completely voluntary and subject to extensive competition both from the other 12 live exchanges and from off-exchange venues, which include 34 alternative trading systems.

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 credits 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 credit changes in this market may impose any burden on competition is extremely limited.

The proposed amended credits are reflective of this competition because, even as one of the largest U.S. equities exchanges by volume, the Exchange has less than 20% market share, which in most markets could hardly be categorized as having enough market power to burden competition. Moreover, as noted above, price competition between exchanges is fierce, with liquidity and market share moving freely between exchanges in reaction to fee and credit changes. This is in addition to free flow of order flow to and among off-exchange venues which comprised more than 42% of industry volume for the month of May 2020.

The Exchange’s proposals are pro-competitive in that the Exchange intends for them to increase liquidity on the Exchange and thereby render the Exchange a more attractive and vibrant venue to market participants.

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

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

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

Not applicable.

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

Pursuant to Section 19(b)(3)(A)(ii) of the Act,[13] the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

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

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

Not applicable.

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[13] 15 U.S.C. 78s(b)(3)(A)(ii).

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

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

Not applicable.

11. Exhibits

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

5. Text of the proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. ; File No. SR-NASDAQ-2020-041)

July __, 2020

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Equity 7, Section 118(a)

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 9, 2020, 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 schedule of credits, as set forth in Equity 7, Section 118(a) of the Exchange's Rulebook.

The text of the proposed rule change is available on the Exchange's Website at https://listingcenter.nasdaq.com/rulebook/nasdaq/rules, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

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

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

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

1. Purpose

The purpose of the proposed rule change is to amend the schedule of credits it provides to members, pursuant to Equity 7, Section 118(a), in several respects.

First, the Exchange proposes to raise its requirements to qualify for an existing credit of $0.00305 per share executed that it provides to a member: (i) with shares of liquidity provided in all securities during the month representing at least 0.60% of Consolidated Volume[3] during the month, through one or more of its Nasdaq Market Center MPIDs; (ii) which adds Nasdaq Options Market ("NOM") Market Maker[4] liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 0.10% or more of total industry average daily volume ("ADV") in the customer clearing range for equity

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3 Pursuant to Equity 7, Section 118(a), the term "Consolidated Volume" means the total consolidated volume reported to all consolidated transaction reporting plans by all exchanges and trade reporting facilities during a month in equity securities, excluding executed orders with a size of less than one round lot. For purposes of calculating Consolidated Volume and the extent of a member's trading activity the date of the annual reconstitution of the Russell Investments Indexes is excluded from both total Consolidated Volume and the member's trading activity.

4 The term "NOM Market Maker" means a broker-dealer registered with NOM for the purpose of making markets in options contracts traded on NOM.

and ETF option contracts per day in a month on NOM; and (iii) which adds Customer, [5] Professional, [6] Firm,[7] Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 1.50% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on NOM. Specifically, the Exchange proposes to raise the qualifying 0.60% Consolidated Volume threshold to 0.95% and the qualifying 0.10% ADV threshold to 0.20%. The Exchange intends to raise the first of these qualification thresholds to incentivize members to increase the extent of their liquidity adding activity on the Exchange to qualify for and to continue to qualify for this credit. The Exchange intends to raise the second of these thresholds to incentivize members that also act as NOM Market Makers to increase the extent of their liquidity providing activity on NOM. With these proposed changes, the Exchange intends to improve the quality of both its equities market and also NOM.

Second, the Exchange proposes to provide a new credit for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) of $0.00295 per share executed to a member, through one or more of its Nasdaq Market Center MPIDs: (i) with shares of liquidity provided in all securities during the month representing at least 0.50% of Consolidated Volume during the month; (ii) which adds at

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5 The term "Customer" means a broker-dealer or a person that is not a broker or dealer in securities. See Options 1, Section 1(a)(15).

6 A "Professional" is defined in Options 1, Section 1(a)(47) of the NOM rules as "any person or entity that (i) is not a broker or dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s)."

7 The term "Firm" applies to any transaction that is identified by a Participant for clearing in the Firm range at OCC.

least 0.35% of Consolidated Volume during the month in securities in Tape C; and (iii) which adds at least 0.15% of Consolidated Volume during the month in Designated Retail Orders[8] for securities in any Tape. The purpose of this credit is to provide members with a new incentive to add significant amounts of liquidity to the Exchange and, in particular, to add significant volumes of liquidity in securities in Tape C and in retail orders in securities in all Tapes. An increase in liquidity adding activity on the Exchange would help to improve the quality of the market for all participants, including but not limited to retail investors.

Lastly, the Exchange proposes to adopt a supplemental $0.00005 per share executed credit for displayed quotes/orders (other than Supplemental Orders) that add liquidity for a member, through one or more of its Nasdaq Market Center MPIDs: (i) with shares of liquidity provided in all securities during the month representing at least 0.50% of Consolidated Volume during the month; (ii) which adds at least 0.35% of Consolidated Volume during the month in securities in Tape C; (iii) which adds at least 0.15% of Consolidated Volume during the month in Designated Retail Orders for securities in any

[8] A "Designated Retail Order" is an agency or riskless principal order that meets the criteria of FINRA Rule 5320.03 and that originates from a natural person and is submitted to Nasdaq by a member that designates it as such, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology. An order from a "natural person" can include orders on behalf of accounts that are held in a corporate legal form -- such as an Individual Retirement Account, Corporation, or a Limited Liability Company -- that has been established for the benefit of an individual or group of related family members, provided that the order is submitted by an individual. Members must submit a signed written attestation, in a form prescribed by Nasdaq, that they have implemented policies and procedures that are reasonably designed to ensure that substantially all orders designated by the member as Designated Retail Orders comply with these requirements. Orders may be designated on an order-by-order basis, or by designating all orders on a particular order entry port as Designated Retail Orders.

Tape; and (iv) which achieves at least a 60% add to total volume (adding and removing) ratio during a month. The Exchange refers to this proposed credit as "supplemental" because members may earn it in addition to other credits. The Exchange intends for the supplemental credit to provide a further incentive for members to increase the proportion of their activity on the Exchange that is attributable to adding liquidity.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[9] in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,[10] 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 proposal is also consistent with Section 11A of the Act relating to the establishment of the national market system for securities.

The Proposal is Reasonable

The Exchange's proposed changes to its schedule of credits are reasonable in several respects. As a threshold matter, the Exchange is subject to significant competitive forces in the market for equity securities transaction services that constrain its pricing determinations in that market. The fact that this market is competitive has long been recognized by the courts. In NetCoalition v. Securities and Exchange Commission, the D.C. Circuit stated as follows: "[n]o one disputes that competition for order flow is 'fierce.' … As the SEC explained, '[i]n the U.S. national market system, buyers and

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9 15 U.S.C. 78f(b).

10 15 U.S.C. 78f(b)(4) and (5).

sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange can afford to take its market share percentages for granted' because 'no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers'…."[11]

The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, while adopting a series of steps to improve the current market model, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."[12]

Numerous indicia demonstrate the competitive nature of this market. For example, clear substitutes to the Exchange exist in the market for equity security transaction services. The Exchange is only one of several equity venues to which market participants may direct their order flow. Competing equity exchanges offer similar tiered pricing structures to that of the Exchange, including schedules of rebates and fees that apply based upon members achieving certain volume thresholds.

Within this environment, market participants can freely and often do shift their order flow among the Exchange and competing venues in response to changes in their

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11 NetCoalition v. SEC, 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782-83 (December 9, 2008) (SR-NYSEArca-2006-21)).

12 Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) ("Regulation NMS Adopting Release").

respective pricing schedules. As such, the proposal represents a reasonable attempt by the Exchange to increase its liquidity and market share relative to its competitors.

In particular, the Exchange proposes to raise two of its thresholds to qualify for its $0.00305 per share executed credit as a reasonable means of helping to further increase liquidity on both the Exchange and NOM, which if successful, will also improve the quality of both markets. Furthermore, the Exchange notes that the activity of members that currently qualify for this credit has grown, both on the Exchange and on NOM, such that an increase in credit qualifying criteria is now needed to incentivize these market makers to further increase their liquidity providing activity.

The Exchange also believes that it is reasonable to establish a new $0.00295 per share executed credit as a means of incentivizing members to provide meaningful amounts of liquidity to the Exchange, including in securities in Tape C as well as in retail orders in securities in any Tape. To the extent that the Exchange succeeds in increasing liquidity adding activity on the Exchange, including in securities in Tape C and in attracting additional retail order flow, then the Exchange would experience improvements in its market quality, which would benefit all market participants.

For similar reasons, the Exchange believes that it is reasonable to establish a $0.00005 per share executed supplemental credit to members that achieve at least a 60% ratio of liquidity adding activity to total activity on the Exchange during a month, in addition to meeting the threshold of the new $0.00295 credit. This supplemental credit will serve as a heightened incentive for members to act as net adders of liquidity on the Exchange. Again, if this incentive works as intended, the Exchange believes that the quality of the market will improve accordingly.

The Exchange notes that those participants that are dissatisfied with the proposed new and amended credits are free to shift their order flow to competing venues.

The Proposal is an Equitable Allocation of Credits

The Exchange believes its proposal will allocate its credits fairly among its market participants.

In particular, it is equitable for the Exchange to raise two of its thresholds to qualify for its $0.00305 per share executed credit because the activity of members that currently qualify for this credit has grown, both on the Exchange and on NOM, such that an increase in credit qualifying criteria is now needed to incentivize these market makers to further increase their liquidity providing activity. An increase in liquidity adding activity on the Exchange and NOM would improve the quality of both markets, to the benefit of all participants.

The Exchange also believes that it is equitable to establish a new $0.00295 per share executed credit. Again, this proposed credit stands to improve the market quality of the Exchange, to the benefit of all participants, by incentivizing members to provide meaningful amounts of liquidity to the Exchange, including in securities in Tape C as well as in retail orders in securities in any Tape. The Exchange also believes that it is equitable to target the credit, in part, to increased activity in Designated Retail Orders, because attracting retail order flow stands to benefit not only retail investors, but also others with whom additional retail liquidity can interact. Likewise, it is equitable to target the credit, in part, to liquidity adding activity in securities in Tape C, because the Exchange believes that the market for such securities would benefit from additional liquidity. The Exchange notes that it has limited funds to apply in the form of incentives, and thus must deploy those limited funds to incentives that it believes will be the most effective at improving market quality in areas that the Exchange determines are in need of improvement.

For similar reasons, the Exchange believes that it is equitable to establish a \$0.00005 per share executed supplemental credit to members that achieve at least a 60% ratio of liquidity adding activity to total activity on the Exchange during a month, in addition to meeting the requirements of the new \$0.00295 credit. It is equitable to target the supplemental credit at members who act as net providers of liquidity to the Exchange because such members are most apt to help the Exchange to achieve its objective of increasing its pool of liquidity.

The Proposed Amended Credits are not Unfairly Discriminatory

The Exchange believes that the proposal is not unfairly discriminatory. As an initial matter, the Exchange believes that nothing about its volume-based tiered pricing model is inherently unfair; instead, it is a rational pricing model that is well-established and ubiquitous in today's economy among firms in various industries – from co-branded credit cards to grocery stores to cellular telephone data plans – that use it to reward the loyalty of their best customers that provide high levels of business activity and incent other customers to increase the extent of their business activity. It is also a pricing model that the Exchange and its competitors have long employed with the assent of the Commission. It is fair because it incentivizes customer activity that increases liquidity, enhances price discovery, and improves the overall quality of the equity markets.

Although the Exchange's proposal to raise the qualifying criteria for its \$0.00305 per share executed credit will require members to add more liquidity to the Exchange and on NOM than is currently required to qualify for this credit, any resulting increase in liquidity on the Exchange will improve market-wide quality and price discovery, to the benefit of all participants. Moreover, to the extent that the proposal causes NOM Market Makers to increase the extent of their liquidity adding activity on NOM, NOM market quality will improve, and all NOM participants will benefit.

The Exchange also believes that its proposed \$0.00295 per share executed credit is not unfairly discriminatory. Again, this proposed credit stands to improve the overall market quality of the Exchange, to the benefit of all participants, by incentivizing members to provide meaningful amounts of liquidity to the Exchange, including in securities in Tape C as well as in retail orders in securities in any Tape. It is not unfairly discriminatory to target the credit, in part, to increased activity in Designated Retail Orders, because attracting retail order flow stands to benefit not only retail investors, but also others with whom additional retail liquidity can interact. Likewise, it is not unfairly discriminatory to target the credit, in part, to liquidity adding activity in securities in Tape C, because the Exchange believes that the market for such securities would benefit from additional liquidity. The Exchange notes that it has limited funds to apply in the form of incentives, and thus must deploy those limited funds to incentives that it believes will be the most effective at improving market quality in areas that the Exchange determines are in need of improvement.

For similar reasons, the Exchange believes that its proposed \$0.00005 per share executed supplemental credit is not unfairly discriminatory. Although the Exchange proposes to target the supplemental credit at net adders of liquidity to the Exchange, it notes that all participants will benefit to the extent that this credit leads to an improvement in overall market quality.

Finally, the Exchange notes that any participant that does not find the amended credits to be sufficiently attractive is free to shift its order flow to a competing venue.

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.

Intramarket Competition

The Exchange does not believe that its proposals will place any category of Exchange participant at a competitive disadvantage. To the contrary, the proposed changes will provides opportunities for members to receive new and amended credits based on their market-improving behavior. Any member may elect to provide the levels of market activity required in order to receive the new or amended credits.

Moreover, members are free to trade on other venues to the extent they believe that the credits provided are too low or the qualification criteria are not attractive. As one can observe by looking at any market share chart, price competition between exchanges is fierce, with liquidity and market share moving freely between exchanges in reaction to fee and credit changes. The Exchange notes that the tier structure is consistent with broker-dealer fee practices as well as the other industries, as described above.

Intermarket Competition

The Exchange believes that its proposed modification to its schedule of credits will not impose a burden on competition because the Exchange's execution services are completely voluntary and subject to extensive competition both from the other 12 live exchanges and from off-exchange venues, which include 34 alternative trading systems. 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 credits 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 credit changes in this market may impose any burden on competition is extremely limited.

The proposed amended credits are reflective of this competition because, even as one of the largest U.S. equities exchanges by volume, the Exchange has less than 20% market share, which in most markets could hardly be categorized as having enough market power to burden competition. Moreover, as noted above, price competition between exchanges is fierce, with liquidity and market share moving freely between exchanges in reaction to fee and credit changes. This is in addition to free flow of order flow to and among off-exchange venues which comprised more than 42% of industry volume for the month of May 2020.

The Exchange's proposals are pro-competitive in that the Exchange intends for them to increase liquidity on the Exchange and thereby render the Exchange a more attractive and vibrant venue to market participants.

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

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

No written comments were either solicited or received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.[13]

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:

[13] 15 U.S.C. 78s(b)(3)(A)(ii).

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-2020-041 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-2020-041. 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-2020-041 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.[14]

J. Matthew DeLesDernier
Assistant Secretary

[14] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

The Nasdaq Stock Market LLC Rules

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GENERAL EQUITY AND OPTIONS RULES

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Equity 7 Pricing Schedule

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Section 118. Nasdaq Market Center Order Execution and Routing

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

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

…

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

…

member (i) with shares of liquidity provided in all securities during the month representing at least 0.[60]95% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) Adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 0.[1]20% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on The Nasdaq Options Market, and (iii) Adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 1.50% or	$0.00305 per share executed

more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on The Nasdaq Options Market:	
Credit for member, through one or more of its Nasdaq Market Center MPIDs (i) with shares of liquidity provided in all securities during the month representing at least 0.50% of Consolidated Volume during the month; (ii) adds at least 0.35% of Consolidated Volume during the month in securities in Tape C; and (iii) adds at least 0.15% of Consolidated Volume during the month in Designated Retail Orders* for securities in any Tape:	\$0.00295 per share executed
…	
member (i) with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.30% of Consolidated Volume during the month and (ii) member qualifies for the MARS program on The Nasdaq Options Market during the month:	\$0.0029 per share executed
Supplemental credit to member for displayed quotes/orders (other than Supplemental Orders) that provide liquidity:	
member, through one or more of its Nasdaq Market Center MPIDs (i) with shares of liquidity provided in all securities during the month representing at least 0.50% of Consolidated Volume during the month; (ii) adds at least 0.35% of Consolidated Volume during the month in securities in Tape C; (iii) adds at least 0.15% of Consolidated Volume during the month in Designated Retail Orders* for securities in any tape; and (iv) achieves at least a 60% ratio of its liquidity adding activity to its total activity on the Exchange during the month:	\$0.00005 per share executed
Credit to other members:	\$0.0015 per share executed
…	

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

…

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

…

member (i) with shares of liquidity provided in all securities during the month representing at least 0.[60]95% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) Adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 0.[1]20% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on The Nasdaq Options Market, and (iii) Adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 1.50% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on The Nasdaq Options Market:	\$0.00305 per share executed
Credit for member, through one or more of its Nasdaq Market Center MPIDs (i) with shares of liquidity provided in all securities during the month representing at least 0.50% of Consolidated Volume during the month; (ii) adds at least 0.35% of Consolidated Volume during the month in securities in Tape C; and (iii) adds at least 0.15% of Consolidated Volume during the month in Designated Retail Orders* for securities in any Tape:	\$0.00295 per share executed
…	
In addition to the credits provided for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity, a member with (i) shares of liquidity provided in Tape A securities through one or more of its Nasdaq Market Center MPIDs that represent at least 0.75% of Consolidated Volume during the month, and (ii) shares of liquidity provided in Tape B securities through one or more of	\$0.00005 per share executed

its Nasdaq Market Center MPIDs that represent at least 0.60% of Consolidated Volume during the month:	
Supplemental credit to member for displayed quotes/orders (other than Supplemental Orders) that provide liquidity:	
member, through one or more of its Nasdaq Market Center MPIDs (i) with shares of liquidity provided in all securities during the month representing at least 0.50% of Consolidated Volume during the month; (ii) adds at least 0.35% of Consolidated Volume during the month in securities in Tape C; (iii) adds at least 0.15% of Consolidated Volume during the month in Designated Retail Orders* for securities in any tape; and (iv) achieves at least a 60% ratio of its liquidity adding activity to its total activity on the Exchange during the month:	$0.00005 per share executed
Credit to other members:	$0.0020 per share executed

…

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

…

Credit to member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity:	
…	
member (i) with shares of liquidity provided in all securities during the month representing at least 0.[60]95% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) Adds NOM Market Maker liquidity in Penny Pilot Options and/or Non-Penny Pilot Options	$0.00305 per share executed

of 0.[1]20% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on The Nasdaq Options Market, and (iii) Adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 1.50% or more of total industry ADV in the customer clearing range for Equity and ETF option contracts per day in a month on The Nasdaq Options Market:	
Credit for member, through one or more of its Nasdaq Market Center MPIDs (i) with shares of liquidity provided in all securities during the month representing at least 0.50% of Consolidated Volume during the month; (ii) adds at least 0.35% of Consolidated Volume during the month in securities in Tape C; and (iii) adds at least 0.15% of Consolidated Volume during the month in Designated Retail Orders* for securities in any Tape:	$0.00295 per share executed
…	
member (i) with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent more than 0.30% of Consolidated Volume during the month and (ii) member qualifies for the MARS program on The Nasdaq Options Market during the month:	$0.0029 per share executed
Supplemental credit to member for displayed quotes/orders (other than Supplemental Orders) that	

provide liquidity:	
member, through one or more of its Nasdaq Market Center MPIDs (i) with shares ofliquidity provided in all securities during the month representing at least 0.50% of Consolidated Volume during the month; (ii) adds at least 0.35% of Consolidated Volume during the month in securities in Tape C; (iii) adds at least 0.15% of Consolidated Volume during the month in Designated Retail Orders* for securities in any tape; and (iv) achieves at least a 60% ratio of its liquidity adding activity to its total activity on the Exchange during the month:	$0.00005 per share executed
Credit to other members:	$0.0020 per share executed

* * * * *