Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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)(4)
19b-4(f)(2) 19b-4(f)(5)
19b-4(f)(3) 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 specify an implementation time frame for the introduction of enhanced anti-internalization functionality.

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 * Katie Last Name * Hopkins
Title * Associate General Counsel
E-mail * Katie.Hopkins@Nasdaq.com
Telephone * (301) 232-4067 Fax

Signature
Pursuant to the requirements of the Securities Exchange of 1934, The Nasdaq Stock Market LLC has duty caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 10/31/2022 (Title *)
By John Zecca (Name *)

EVP and Chief Legal Officer

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

Date: 2022.10.31 11:07:43 -04'00'
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
SR-NASDAQ-2022-060 19b-4.doc

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
SR-NASDAQ-2022-060 Exhibit 1.doc

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 Advanced 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 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

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 Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire
- Add
- Remove
- View

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 Sent As Paper Document

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 specify an implementation timeframe for the introduction of enhanced anti-internalization functionality.

   The Exchange requests that the Commission waive the 30-day operative delay period contained in Exchange Act Rule 19b-4(f)(6)(iii).³

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

   (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”). Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

   Questions and comments on the proposed rule change may be directed to:

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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 specify an implementation timeframe for the introduction of enhanced anti-internalization functionality. The Exchange previously filed a rule change to enhance the anti-internalization functionality available on the Exchange by giving market participants the flexibility to choose to have this protection apply to market participants under Common Ownership.

   By way of background, anti-internalization, also known as self-match prevention, is an optional feature available on the Exchange that currently (1) prevents two orders with the same Market Participant Identifier (MPID) from executing against each other, or (2) prevents two orders entered through a specific order entry port from executing against each other (in the case of market participants using the OUCH order entry protocol). The enhanced anti-internalization functionality, as proposed in SR-NASDAQ-2022-056, would permit market participants to direct that quotes/orders entered into the System not execute against quotes/orders entered across MPIDs that are under Common Ownership.

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5. The Exchange previously proposed to define “Common Ownership” under Equity 4, Rule 4757 to mean participants under 75% common ownership or control. See id.

6. Supra note 4.
The previous rule filing\(^7\) to enhance the anti-internalization functionality available on the Exchange did not specify an implementation date. The Exchange proposes to establish an implementation timeframe that extends beyond 30 days after the date of filing of SR-NASDAQ-2022-056.\(^8\) Specifically, the Exchange proposes to implement the enhanced anti-internalization functionality no later than the First Quarter of 2023. The delay would provide the Exchange additional time to develop and test this functionality. The Exchange will issue an Equities Trader Alert to provide notification of the change and relevant implementation date prior to introducing the new functionality.

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 Section 6(b)(5) of the Act,\(^10\) in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest. The change in anti-internalization functionality will enhance self-trade protections provided to market participants and the Exchange desires to rollout the anti-internalization functionality at a later date to allow sufficient time to develop and test this functionality. As proposed herein, the Exchange will offer the enhanced anti-internalization functionality no later than the First Quarter of 2023.

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\(^7\) Id.

\(^8\) Id.


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. The Exchange does not believe that the proposed rule change will impact the intense competition that exists in the equities markets. The Exchange does not believe that the proposed delay will impose any significant burden on inter-market competition as it does not impact the ability of other markets to offer or not offer competing functionality. The Exchange does not believe that the proposed rule change will impose any burden on intra-market competition because all participants uniformly will not be able to take advantage of the enhanced anti-internalization functionality until it is implemented. The Exchange intends to offer the optional, enhanced anti-internalization functionality no later than the First Quarter of 2023.

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)**

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii)\(^\text{11}\) of the Act and Rule 19b-4(f)(6) thereunder\(^\text{12}\) in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii)


does not impose any significant burden on competition; and (iii) by its terms, does not
become operative for 30 days after the date of the filing, or such shorter time as the
Commission may designate if consistent with the protection of investors and the public
interest.

The Exchange believes that the proposed rule change does not significantly affect
the protection of investors or the public interest, and does not impose any significant
burden on competition. The Exchange believes that the proposed rule change does not
significantly affect the protection of investors or the public interest because the change in
anti-internalization functionality will enhance self-trade protections provided to market
participants and the proposed delayed implementation will ensure that the Exchange has
sufficient time to develop and adequately test the enhanced self-trade protection.
Furthermore, the Exchange believes that the proposed rule change will not impose any
significant burden on competition as the proposed delay does not impact the ability of
other markets to offer competing functionality and the delay in launching the optional
functionality will apply uniformly to all market participants. The Exchange therefore
believes that the proposed rule change qualifies for immediate effectiveness as a “non-
controversial” rule change.

Furthermore, Rule 19b-4(f)(6)(iii)\textsuperscript{13} requires a self-regulatory organization to give
the Commission written notice of its intent to file a proposed rule change under that
subsection at least five business days prior to the date of filing, or such shorter time as
designated by the Commission. The Exchange has provided such notice.

\textsuperscript{13} 17 CFR 240.19b-4(f)(6)(iii).
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 necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) so that the Exchange can extend the implementation timeframe as proposed above prior to the scheduled effective date for SR-NASDAQ-2022-056, which is scheduled to become effective on November 5, 2022. The Exchange believes that extending the implementation timeframe prior to the currently scheduled effective date will ensure that the Exchange’s rules continue to properly reflect the delay of this functionality, which will not be available on the Exchange by the currently scheduled date. Delaying the introduction of the enhanced anti-internalization functionality will provide additional time to develop and test this functionality.

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

Not applicable.

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

Not applicable.
10. **Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act**

   Not applicable.

11. **Exhibits**

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

SECURITIES AND EXCHANGE COMMISSION
(Release No. ; File No. SR-NASDAQ-2022-060)

October__, 2022

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Specify an Implementation Timeframe for the Introduction of Enhanced Anti-internalization Functionality

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 October 31, 2022, 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 specify an implementation timeframe for the introduction of enhanced anti-internalization functionality.

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 specify an implementation timeframe for the introduction of enhanced anti-internalization functionality. The Exchange previously filed\(^3\) a rule change to enhance the anti-internalization functionality available on the Exchange by giving market participants the flexibility to choose to have this protection apply to market participants under Common Ownership.\(^4\)

By way of background, anti-internalization, also known as self-match prevention, is an optional feature available on the Exchange that currently (1) prevents two orders with the same Market Participant Identifier (MPID) from executing against each other, or (2) prevents two orders entered through a specific order entry port from executing against each other (in the case of market participants using the OUCH order entry protocol). The enhanced anti-internalization functionality, as proposed in SR-NASDAQ-2022-056,\(^5\) would permit market participants to direct that quotes/orders entered into the System not execute against quotes/orders entered across MPIDs that are under Common Ownership.

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\(^4\) The Exchange previously proposed to define “Common Ownership” under Equity 4, Rule 4757 to mean participants under 75% common ownership or control. See id.

\(^5\) Supra note 4.
The previous rule filing\(^6\) to enhance the anti-internalization functionality available on the Exchange did not specify an implementation date. The Exchange proposes to establish an implementation timeframe that extends beyond 30 days after the date of filing of SR-NASDAQ-2022-056.\(^7\) Specifically, the Exchange proposes to implement the enhanced anti-internalization functionality no later than the First Quarter of 2023. The delay would provide the Exchange additional time to develop and test this functionality. The Exchange will issue an Equities Trader Alert to provide notification of the change and relevant implementation date prior to introducing the new functionality.

2. **Statutory Basis**

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,\(^8\) in general, and furthers the objectives of Section 6(b)(5) of the Act,\(^9\) in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest. The change in anti-internalization functionality will enhance self-trade protections provided to market participants and the Exchange desires to rollout the anti-internalization functionality at a later date to allow sufficient time to develop and test this functionality. As proposed herein, the Exchange will offer the enhanced anti-internalization functionality no later than the First Quarter of 2023.

\(^6\) Id.
\(^7\) Id.
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. The Exchange does not believe that the proposed rule change will impact the intense competition that exists in the equities markets. The Exchange does not believe that the proposed delay will impose any significant burden on inter-market competition as it does not impact the ability of other markets to offer or not offer competing functionality. The Exchange does not believe that the proposed rule change will impose any burden on intra-market competition because all participants uniformly will not be able to take advantage of the enhanced anti-internalization functionality until it is implemented. The Exchange intends to offer the optional, enhanced anti-internalization functionality no later than the First Quarter of 2023.

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

No written comments were either solicited or received.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant
to Section 19(b)(3)(A)(iii) of the Act\textsuperscript{10} and subparagraph (f)(6) of Rule 19b-4 thereunder.\textsuperscript{11}

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 necessary or appropriate in the public interest, for the protection of investors, or 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:


- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NASDAQ-2022-060 on the subject line.


\textsuperscript{11} 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.
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-2022-060. 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-2022-060 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.\textsuperscript{12}

J. Matthew DeLesDernier
Assistant Secretary

\textsuperscript{12} 17 CFR 200.30-3(a)(12).