

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of \* 40

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

File No. \* SR 2025 - \* 014

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

<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)
<input checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)
<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 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 NOM's Pricing Schedule at Options 7, Section 2.

**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 \* Angela Last Name \* Dunn

Title \* Principal Associate General Counsel

E-mail \* Anegla.Dunn@nasdaq.com

Telephone \* (215) 496-5692 Fax

**Signature**

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

Date 02/10/2025


(Title \*)

By John Zecca

EVP and Chief Legal Officer

(Name \*)

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: 2025.02.10 12:52:05 -05'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

**Form 19b-4 Information \***

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SR-NASDAQ-2025-014 19b-4.docx

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 \***

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SR-NASDAQ-2025-014 Exhibit 1.docx

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 \***

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

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

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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**

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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**

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

**Exhibit 5 - Proposed Rule Text**

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SR-NASDAQ-2025-014 Exhibit 5.docx

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

**Partial Amendment**

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

1. Text of the Proposed Rule Change

(a) The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to amend The Nasdaq Options Market LLC (“NOM”) Rules at Options 7, Section 2, Nasdaq Options Market - Fees and Rebates. Specifically, NOM proposes to lower the percentages to achieve each of the note 2 incentives in Options 7, Section 2(1) related to NOM Market Maker<sup>3</sup> and Non-NOM Market Maker<sup>4</sup> Penny Symbols Fee for Removing Liquidity.<sup>5</sup>

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

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

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

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

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

<sup>3</sup> The term “NOM Market Maker” or (“M”) is a Participant that has registered as a Market Maker on NOM pursuant to Options 2, Section 1, and must also remain in good standing pursuant to Options 2, Section 9. In order to receive NOM Market Maker pricing in all securities, the Participant must be registered as a NOM Market Maker in at least one security. See Options 7, Section 1(a).

<sup>4</sup> The term “NOM Market Maker” or (“M”) is a Participant that has registered as a Market Maker on NOM pursuant to Options 2, Section 1, and must also remain in good standing pursuant to Options 2, Section 9. In order to receive NOM Market Maker pricing in all securities, the Participant must be registered as a NOM Market Maker in at least one security. See Options 7, Section 1(a).

<sup>5</sup> On January 31, 2025 the Exchange filed SR-NASDAQ-2025-010. On February 10, 2025 the Exchange withdrew SR-NASDAQ-2025-010 and replaced it with this rule change.

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

The Exchange proposes to amend NOM's Pricing Schedule at Options 7, Section 2, Nasdaq Options Market - Fees and Rebates.

**Background**

Today, NOM assesses certain fees and rebates for execution of contracts on NOM as follows:

Rebates to Add  
Liquidity in Penny  
Symbols

	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6
Customer	(\$0.20)	(\$0.25)	(\$0.43)	(\$0.44)	(\$0.45)	(\$0.48)
Professional	(\$0.20)	(\$0.25)	(\$0.43)	(\$0.44)	(\$0.45)	(\$0.47)
Broker-Dealer	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.10)
Firm	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.10)
Non-NOM Market Maker	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.10)
NOM Market Maker	(\$0.20)	(\$0.25)	(\$0.30)	(\$0.32)	(\$0.44)	(\$0.48)

Fees and Rebates to Add Liquidity in Non-Penny Symbols

Customer	(\$0.80)
Professional	(\$0.80)
Broker-Dealer	\$0.45
Firm	\$0.45

Non-NOM Market Maker	\$0.45
NOM Market Maker	\$0.35/\$0.00/(\$0.20)/(\$0.40)

#### Fees to Remove Liquidity in Penny and Non-Penny Symbols

	Penny Symbols	Non-Penny Symbols
Customer	\$0.49	\$0.85
Professional	\$0.49	\$0.85
Broker-Dealer	\$0.50	\$1.25
Firm	\$0.50	\$1.25
Non-NOM Market Maker	\$0.50	\$1.25
NOM Market Maker	\$0.50	\$1.25

Further, Customer<sup>6</sup> and Professional<sup>7</sup> Rebates to Add Liquidity in Penny Symbols are paid per the highest tier achieved below. To determine the applicable percentage of total industry customer equity and ETF option average daily volume, unless otherwise stated, the Participant's Penny Symbol and Non-Penny Symbol Customer and/or Professional volume that adds liquidity will be included.

#### Monthly Volume

Tier 1	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols of up to 0.10% of total industry customer equity and ETF option average daily volume ("ADV") contracts per day in a month
Tier 2	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.10% of total industry customer equity and ETF option ADV contracts per day in a month

<sup>6</sup> The term "Customer" or ("C") applies to any transaction that is identified by a Participant for clearing in the Customer range at The Options Clearing Corporation ("OCC") which is not for the account of broker or dealer or for the account of a "Professional" (as that term is defined in Options 1, Section 1(a)(47)). See Options 7, Section 1(a).

<sup>7</sup> The term "Professional" or ("P") means 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) pursuant to Options 1, Section 1(a)(47). All Professional orders shall be appropriately marked by Participants. See Options 7, Section 1(a).

- Tier 3 Participant: (a) adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.20% of total industry customer equity and ETF option ADV contracts per day in a month; or (b) adds Customer and/or Professional liquidity in Penny Symbols and/or Non-Penny Symbols above 0.05% of total industry customer equity and ETF option ADV contracts per day in a month and qualifies for MARS
- Tier 4 Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.30% of total industry customer equity and ETF option ADV contracts per day in a month
- Tier 5 Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.40% of total industry customer equity and ETF option ADV contracts per day in a month
- Tier 6 Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.70% or more of total industry customer equity and ETF option ADV contracts per day in a month, or Participant : (1) adds Customer and/or Professional liquidity in Penny Symbols and/or Non-Penny Symbols of 0.10% or more of total industry customer equity and ETF option ADV contracts per day in a month, and (2) has added liquidity in all securities through one or more of its Nasdaq Market Center MPIDs that represent 1.00% or more of Consolidated Volume in a month or qualifies for MARS (defined below)

Finally, NOM Market Makers Rebates to Add Liquidity in Penny Symbols are paid per the highest tier achieved based on the below 6 tiers.<sup>8</sup>

### **Monthly Volume**

- Tier 1** Participant adds NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols of up to 0.10% of

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<sup>8</sup> “Total Volume” is defined as Customer, Professional, Firm, Broker-Dealer, Non-NOM Market Maker and NOM Market Maker volume in Penny Symbols and/or Non-Penny Symbols which either adds or removes liquidity on NOM.

- total industry customer equity and ETF option average daily volume (“ADV”) contracts per day in a month
- Tier 2** Participant adds NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols above 0.10% of total industry customer equity and ETF option ADV contracts per day in a month
- Tier 3** Participant: (a) adds NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols above 0.20% of total industry customer equity and ETF option ADV contracts per day in a month; or (b)(1) adds NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols above 0.15% of total industry customer equity and ETF option ADV contracts per day in a month, (2) transacts in all securities through one or more of its Nasdaq Market Center MPIDs that represent (i) 0.50% or more of Consolidated Volume (“CV”) which adds liquidity in the same month on The Nasdaq Stock Market or (ii) 50 million shares or more ADV which adds liquidity in the same month on The Nasdaq Stock Market, and (3) executes 1.5 million shares or more ADV in the same month utilizing the M-ELO order type on The Nasdaq Stock Market
- Tier 4** Participant adds NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols of above 0.60% of total industry customer equity and ETF option ADV contracts per day in a month
- Tier 5** Participant: (a) adds NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols above 1.00% of total industry customer equity and ETF option ADV contracts per day in a month; **or** (b) adds NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols of above 0.40% of total industry customer equity and ETF option ADV contracts per day in a month **and** transacts in all securities through one or more of its Nasdaq Market Center MPIDs that represent 0.40% or more of Consolidated Volume (“CV”) which adds liquidity in the same month on The Nasdaq Stock Market
- Tier 6** Participant: (a)(1) adds NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols above 0.95% of total industry customer equity and ETF option ADV contracts per day in a month, (2) executes Total Volume of 250,000 or more contracts per day in a month, of which 30,000 or more contracts per day in a month must be removing liquidity, and (3) adds Firm, Broker-Dealer and Non-NOM Market Maker liquidity in Non-Penny Symbols of 10,000 or more contracts per day in a month; or (b)(1)

adds NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols above 1.40% of total industry customer equity and ETF option ADV contracts per day in a month, and (2) executes Total Volume of 250,000 or more contracts per day in a month, of which 15,000 or more contracts per day in a month must be removing liquidity

### **Proposal**

NOM Market Makers and Non-NOM Market Makers who remove liquidity in Penny Symbols are subject to note 2 of Options 7, Section 2(1) which currently states,

Participants that add 1.30% of Customer, Professional, Firm, Broker-Dealer or Non-NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols of total industry customer equity and ETF option ADV contracts per day in a month will be subject to the following pricing applicable to executions: a \$0.48 per contract Penny Symbols Fee for Removing Liquidity when the Participant is (i) both the buyer and the seller or (ii) the Participant removes liquidity from another Participant under Common Ownership.

Participants that add 1.50% of Customer, Professional, Firm, Broker-Dealer or Non-NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols of total industry customer equity and ETF option ADV contracts per day in a month and meet or exceed the cap for The Nasdaq Stock Market Opening Cross during the month will be subject to the following pricing applicable to executions less than 10,000 contracts: a \$0.38 per contract Penny Symbols Fee for Removing Liquidity when the Participant is (i) both the buyer and seller or (ii) the Participant removes liquidity from another Participant under Common Ownership.

Participants that add 1.75% of Customer, Professional, Firm, Broker-Dealer or Non-NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols of total industry customer equity and ETF option ADV contracts per day in a month will be subject to the following pricing applicable to executions less than 10,000 contracts: a \$0.38 per contract Penny Symbols Fee for Removing Liquidity when the Participant is (i) both the buyer and seller or (ii) the Participant removes liquidity from another Participant under Common Ownership.

Specifically, NOM proposes to lower the percentages of Customer, Professional, Firm, Broker-Dealer or Non-NOM Market Maker liquidity in Penny Symbols and/or Non-



Penny Symbols of total industry customer equity and ETF option ADV contracts per day in a month for NOM Market Makers and Non-NOM Market Makers to achieve each of the note 2 incentives in Options 7, Section 2(1).

First, NOM proposes to lower the percentage of Customer, Professional, Firm,<sup>9</sup> Broker-Dealer<sup>10</sup> or Non-NOM Market Maker add liquidity in Penny Symbols and/or Non-Penny Symbols from 1.30% to 1.10% of total industry customer equity and ETF option ADV contracts per day in a month. NOM would continue to assess NOM Market Makers and Non-NOM Market Makers a \$0.48 per contract Penny Symbol Fee for Removing Liquidity when the Participant is (i) both the buyer and the seller or (ii) the Participant removes liquidity from another Participant under Common Ownership for executions.

Second, NOM proposes to lower the percentage of Customer, Professional, Firm, Broker-Dealer or Non-NOM Market Maker add liquidity in Penny Symbols and/or Non-Penny Symbols from 1.50% to 1.30% of total industry customer equity and ETF option ADV contracts per day in a month provided the Participant meets or exceeds the cap for The Nasdaq Stock Market Opening Cross<sup>11</sup> during the month for executions less than 10,000 contracts. NOM would continue to assess NOM Market Makers and Non-NOM Market Makers a \$0.38 per contract Penny Symbol Fee for Removing Liquidity when the

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<sup>9</sup> The term “Firm” or (“F”) applies to any transaction that is identified by a Participant for clearing in the Firm range at OCC. See Options 7, Section 1(a).

<sup>10</sup> The term “Broker-Dealer” or (“B”) applies to any transaction which is not subject to any of the other transaction fees applicable within a particular category. See Options 7, Section 1(a).

<sup>11</sup> See Equity 7, Section 118(e)(2). Firms that execute orders in the Nasdaq Opening Cross will be subject to fees for such executions up to a monthly maximum of \$35,000, provided, however, that such firms add at least one million shares of liquidity, on average per day, per month.

Participant is (i) both the buyer and seller or (ii) the Participant removes liquidity from another Participant under Common Ownership.

Third, NOM proposes to lower the percentage of Customer, Professional, Firm, Broker-Dealer or Non-NOM Market Maker add liquidity in Penny Symbols and/or Non-Penny Symbols from 1.75% to 1.55% of total industry customer equity and ETF option ADV contracts per day in a month. NOM would continue to assess NOM Market Makers and Non-NOM Market Makers a \$0.38 per contract Penny Symbol Fee for Removing Liquidity when the Participant is (i) both the buyer and seller or (ii) the Participant removes liquidity from another Participant under Common Ownership for executions less than 10,000 contracts.

The Exchange believes that reducing the various percentages of liquidity necessary for NOM Market Makers and Non-NOM Market Makers to achieve each of the note 2 incentives in Options 7, Section 2(1) will attract a greater amount of order flow to NOM to the benefit of other Participants who may interact with that order flow.

The Exchange also proposes to relocate the reference to note 2 within Options 7, Section 2(1) to the Penny Symbol column to more accurately reflect the impacted fee which is specified in the rule text of note 2 as the Penny Symbol Fee for Removing Liquidity. Currently, the note 2 references are adjacent to the Non-NOM Market Maker and NOM Market Maker participant column.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>12</sup> in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,<sup>13</sup> 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 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.”<sup>14</sup>

Likewise, in NetCoalition v. Securities and Exchange Commission<sup>15</sup> (“NetCoalition”) the D.C. Circuit upheld the Commission’s use of a market-based approach in evaluating the fairness of market data fees against a challenge claiming that Congress mandated a cost-based approach.<sup>16</sup> As the court emphasized, the Commission “intended in Regulation NMS that ‘market forces, rather than regulatory requirements’

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

<sup>13</sup> 15 U.S.C. 78f(b)(4) and (5).

<sup>14</sup> Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (“Regulation NMS Adopting Release”).

<sup>15</sup> NetCoalition v. SEC, 615 F.3d 525 (D.C. Cir. 2010).

<sup>16</sup> See NetCoalition, at 534 - 535.

play a role in determining the market data . . . to be made available to investors and at what cost.”<sup>17</sup>

Further, “[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 monopoly, regulatory or otherwise, in the execution of order flow from broker dealers’ . . . .”<sup>18</sup> Although the court and the SEC were discussing the cash equities markets, the Exchange believes that these views apply with equal force to the options markets.

The Exchange’s proposal to amend note 2 of NOM Options 7, Section 2(1) to lower the percentage of Customer, Professional, Firm, Broker-Dealer or Non-NOM Market Maker add liquidity in Penny Symbols and/or Non-Penny Symbols from 1.30% to 1.10% of total industry customer equity and ETF option ADV contracts per day in a month and continue to assess NOM Market Makers and Non-NOM Market Makers a \$0.48 per contract Penny Symbol Fee for Removing Liquidity when the Participant is (i) both the buyer and the seller or (ii) the Participant removes liquidity from another Participant under Common Ownership for executions is reasonable as additional Participants may be able to achieve the incentive. The Exchange believes that this amendment may attract additional order flow to the Exchange for an opportunity for NOM Market Makers and Non-NOM Market Makers to assess a lower Penny Symbol

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<sup>17</sup> Id. at 537.

<sup>18</sup> Id. at 539 (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782-83 (December 9, 2008) (SR-NYSEArca-2006-21)).

Fee for Removing Liquidity. To the extent that NOM Participants continue to add liquidity on NOM to meet the proposed volume threshold to receive the incentive, the Exchange believes that its proposal will benefit all market participants who will be able to interact with the additional liquidity.

The Exchange's proposal to amend note 2 of NOM Options 7, Section 2(1) to lower the percentage of Customer, Professional, Firm, Broker-Dealer or Non-NOM Market Maker add liquidity in Penny Symbols and/or Non-Penny Symbols from 1.50% to 1.30% of total industry customer equity and ETF option ADV contracts per day in a month, provided the Participant meets or exceeds the cap for The Nasdaq Stock Market Opening Cross during the month for executions less than 10,000 contracts, and continue to assess NOM Market Makers and Non-NOM Market Makers a \$0.38 per contract Penny Symbol Fee for Removing Liquidity when the Participant is (i) both the buyer and seller or (ii) the Participant removes liquidity from another Participant under Common Ownership is reasonable as additional Participants may be able to achieve the incentive. The Exchange believes that this amendment may attract additional order flow to the Exchange for an opportunity for NOM Market Makers and Non-NOM Market Makers to assess a lower Penny Symbol Fee for Removing Liquidity. To the extent that NOM Participants continue to add liquidity on NOM to meet the proposed volume threshold to receive the incentive, the Exchange believes that its proposal will benefit all market participants who will be able to interact with the additional liquidity. Note 2 will also

continue to incentivize Participants to increase their provision of liquidity on the Exchange's equity and options markets.

The Exchange's proposal to amend note 2 of NOM Options 7, Section 2(1) to lower the percentage of Customer, Professional, Firm, Broker-Dealer or Non-NOM Market Maker add liquidity in Penny Symbols and/or Non-Penny Symbols from 1.75% to 1.55% of total industry customer equity and ETF option ADV contracts per day in a month for executions less than 10,000 contracts and continue to assess NOM Market Makers and Non-NOM Market Makers a \$0.38 per contract Penny Symbol Fee for Removing Liquidity when the Participant is (i) both the buyer and seller or (ii) the Participant removes liquidity from another Participant under Common Ownership is reasonable as additional Participants may be able to achieve the incentive. The Exchange believes that this amendment may attract additional order flow to the Exchange for an opportunity for NOM Market Makers and Non-NOM Market Makers to assess a lower Penny Symbol Fee for Removing Liquidity. To the extent that NOM Participants continue to add liquidity on NOM to meet the proposed volume threshold to receive the incentive, the Exchange believes that its proposal will benefit all market participants who will be able to interact with the additional liquidity.

The Exchange's proposal to amend note 2 of NOM Options 7, Section 2(1) to lower the various percentages of add liquidity necessary for NOM Market Makers and Non-NOM Market Makers to achieve the applicable lower Penny Symbol Fee for Removing Liquidity is equitable and not unfairly discriminatory because the Exchange will uniformly assess NOM Market Makers and Non-NOM Market Makers the applicable Penny Symbol Fee for Removing Liquidity provided they meet the

requirements for the lower fee. Offering these discounts to NOM Market Makers is equitable and not unfairly discriminatory because NOM Market Makers have obligations to the market and regulatory requirements which do not apply to other market participants.<sup>19</sup> A NOM Market Maker has the obligation, for example, to make continuous markets, engage in a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and not make bids or offers or enter into transactions that are inconsistent with a course of dealings. The proposed differentiation as between NOM Market Makers and other market participants recognizes the differing contributions of NOM Market Makers. For the above reasons, the Exchange believes that NOM Market Makers are entitled to discounted fees, provided they qualify for the discount. The Exchange believes it is equitable and not unfairly discriminatory to offer the fee discount to Non-NOM Market Makers because the Exchange is offering Participants flexibility in the manner in which they are submitting their orders. Non-NOM Market Makers have obligations on other exchanges to qualify as a market maker. Also, the Exchange believes that market makers not registered on NOM will be encouraged to send orders to NOM as an away market maker (Non-NOM Market Maker) with this incentive. Because the incentive is being offered to both market makers registered on NOM and those not registered on NOM, the Exchange believes that the proposal is equitable and not unfairly discriminatory because it encourages market makers to direct liquidity to NOM to the benefit of all Participants. This proposal recognizes the overall contributions made by market makers to a listed options market.

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<sup>19</sup> See NOM Options 2, Sections 4 and 5.

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.

*Inter-market Competition*

The proposal does not impose an undue burden on inter-market competition. The Exchange believes its proposal remains competitive with other options markets and will offer market participants with another venue in which to submit orders. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

*Intra-market Competition*

The Exchange's proposal to amend note 2 of NOM Options 7, Section 2(1) to lower the various percentages of add liquidity necessary for NOM Market Makers and Non-NOM Market Makers to achieve the applicable lower Penny Symbol Fee for Removing Liquidity does not impose an undue burden on competition because the Exchange will uniformly assess NOM Market Makers and Non-NOM Market Makers the applicable Penny Symbol Fee for Removing Liquidity provided they meet the requirements for the lower fee. Offering these discounts to NOM Market Makers does



not impose an undue burden on competition because NOM Market Makers have obligations to the market and regulatory requirements which do not apply to other market participants.<sup>20</sup> A NOM Market Maker has the obligation, for example, to make continuous markets, engage in a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and not make bids or offers or enter into transactions that are inconsistent with a course of dealings. The proposed differentiation as between NOM Market Makers and other market participants recognizes the differing contributions of NOM Market Makers. For the above reasons, the Exchange believes that NOM Market Makers are entitled to discounted fees, provided they qualify for the discount. The Exchange believes it does not impose an undue burden on competition to offer the fee discount to Non-NOM Market Makers because the Exchange is offering Participants flexibility in the manner in which they are submitting their orders. Non-NOM Market Makers have obligations on other exchanges to qualify as a market maker. Also, the Exchange believes that market makers not registered on NOM will be encouraged to send orders to NOM as an away market maker (Non-NOM Market Maker) with this incentive. Because the incentive is being offered to both market makers registered on NOM and those not registered on NOM, the Exchange believes that the proposal does not impose an undue burden on competition because it encourages market makers to direct liquidity to NOM to the benefit of all Participants. This proposal recognizes the overall contributions made by market makers to a listed options market.

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<sup>20</sup> See NOM Options 2, Sections 4 and 5.

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

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

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

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

Not applicable.

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.
5. Text of the proposed rule change.

**EXHIBIT 1**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. \_\_\_\_\_ ; File No. SR-NASDAQ-2025-014)

February \_\_, 2025

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend NOM's Pricing Schedule at Options 7, Section 2

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup>, and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 10, 2025, 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 Nasdaq Options Market LLC ("NOM") Rules at Options 7, Section 2, Nasdaq Options Market - Fees and Rebates. Specifically, NOM proposes to lower the percentages to achieve each of the note 2 incentives in

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

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

Options 7, Section 2(1) related to NOM Market Maker<sup>3</sup> and Non-NOM Market Maker<sup>4</sup> Penny Symbols Fee for Removing Liquidity.<sup>5</sup>

The text of the proposed rule change is available on the Exchange's Website at <https://listingcenter.nasdaq.com/rulebook/nasdaq/rulefilings>, 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

The Exchange proposes to amend NOM's Pricing Schedule at Options 7, Section 2, Nasdaq Options Market - Fees and Rebates.

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<sup>3</sup> The term "NOM Market Maker" or ("M") is a Participant that has registered as a Market Maker on NOM pursuant to Options 2, Section 1, and must also remain in good standing pursuant to Options 2, Section 9. In order to receive NOM Market Maker pricing in all securities, the Participant must be registered as a NOM Market Maker in at least one security.. See Options 7, Section 1(a).

<sup>4</sup> The term "NOM Market Maker" or ("M") is a Participant that has registered as a Market Maker on NOM pursuant to Options 2, Section 1, and must also remain in good standing pursuant to Options 2, Section 9. In order to receive NOM Market Maker pricing in all securities, the Participant must be registered as a NOM Market Maker in at least one security. See Options 7, Section 1(a).

<sup>5</sup> On January 31, 2025 the Exchange filed SR-NASDAQ-2025-010. On February 10, 2025 the Exchange withdrew SR-NASDAQ-2025-010 and replaced it with this rule change.

## Background

Today, NOM assesses certain fees and rebates for execution of contracts on NOM as follows:

### Rebates to Add Liquidity in Penny Symbols

	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6
Customer	(\$0.20)	(\$0.25)	(\$0.43)	(\$0.44)	(\$0.45)	(\$0.48)
Professional	(\$0.20)	(\$0.25)	(\$0.43)	(\$0.44)	(\$0.45)	(\$0.47)
Broker-Dealer Firm	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.10)
Non-NOM Market Maker	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.10)
NOM Market Maker	(\$0.20)	(\$0.25)	(\$0.30)	(\$0.32)	(\$0.44)	(\$0.48)

### Fees and Rebates to Add Liquidity in Non-Penny Symbols

Customer	(\$0.80)
Professional	(\$0.80)
Broker-Dealer Firm	\$0.45
Non-NOM Market Maker	\$0.45
NOM Market Maker	\$0.35/\$0.00/(\$0.20)/(\$0.40)

### Fees to Remove Liquidity in Penny and Non-Penny Symbols

	Penny Symbols	Non-Penny Symbols
Customer	\$0.49	\$0.85
Professional	\$0.49	\$0.85
Broker-Dealer Firm	\$0.50	\$1.25
Non-NOM Market Maker	\$0.50	\$1.25
NOM Market Maker	\$0.50	\$1.25

Further, Customer<sup>6</sup> and Professional<sup>7</sup> Rebates to Add Liquidity in Penny Symbols are paid per the highest tier achieved below. To determine the applicable percentage of total industry customer equity and ETF option average daily volume, unless otherwise stated, the Participant's Penny Symbol and Non-Penny Symbol Customer and/or Professional volume that adds liquidity will be included.

#### Monthly Volume

Tier 1	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols of up to 0.10% of total industry customer equity and ETF option average daily volume (“ADV”) contracts per day in a month
Tier 2	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.10% of total industry customer equity and ETF option ADV contracts per day in a month
Tier 3	Participant: (a) adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.20% of total industry customer equity and ETF option ADV contracts per day in a month; or (b) adds Customer and/or Professional liquidity in Penny Symbols and/or Non-Penny Symbols above 0.05% of total industry customer equity and ETF option ADV contracts per day in a month and qualifies for MARS
Tier 4	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.30% of total industry customer equity and ETF option ADV contracts per day in a month
Tier 5	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny

<sup>6</sup> The term “Customer” or (“C”) applies to any transaction that is identified by a Participant for clearing in the Customer range at The Options Clearing Corporation (“OCC”) which is not for the account of broker or dealer or for the account of a “Professional” (as that term is defined in Options 1, Section 1(a)(47)). See Options 7, Section 1(a).

<sup>7</sup> The term “Professional” or (“P”) means 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) pursuant to Options 1, Section 1(a)(47). All Professional orders shall be appropriately marked by Participants. See Options 7, Section 1(a).

	Symbols and/or Non-Penny Symbols above 0.40% of total industry customer equity and ETF option ADV contracts per day in a month
Tier 6	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.70% or more of total industry customer equity and ETF option ADV contracts per day in a month, or Participant : (1) adds Customer and/or Professional liquidity in Penny Symbols and/or Non-Penny Symbols of 0.10% or more of total industry customer equity and ETF option ADV contracts per day in a month, and (2) has added liquidity in all securities through one or more of its Nasdaq Market Center MPIDs that represent 1.00% or more of Consolidated Volume in a month or qualifies for MARS (defined below)

Finally, NOM Market Makers Rebates to Add Liquidity in Penny Symbols are paid per the highest tier achieved based on the below 6 tiers.<sup>8</sup>

### Monthly Volume

<b>Tier 1</b>	Participant adds NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols of up to 0.10% of total industry customer equity and ETF option average daily volume (“ADV”) contracts per day in a month
<b>Tier 2</b>	Participant adds NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols above 0.10% of total industry customer equity and ETF option ADV contracts per day in a month
<b>Tier 3</b>	Participant: (a) adds NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols above 0.20% of total industry customer equity and ETF option ADV contracts per day in a month; or (b)(1) adds NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols above 0.15% of total industry customer equity and ETF option ADV contracts per day in a month, (2) transacts in all securities through one or more of its Nasdaq Market Center MPIDs that represent (i) 0.50% or more of Consolidated Volume (“CV”) which adds liquidity in the same month on The Nasdaq Stock Market or (ii) 50 million

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<sup>8</sup> “Total Volume” is defined as Customer, Professional, Firm, Broker-Dealer, Non-NOM Market Maker and NOM Market Maker volume in Penny Symbols and/or Non-Penny Symbols which either adds or removes liquidity on NOM.

shares or more ADV which adds liquidity in the same month on The Nasdaq Stock Market, and (3) executes 1.5 million shares or more ADV in the same month utilizing the M-ELO order type on The Nasdaq Stock Market

- Tier 4** Participant adds NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols of above 0.60% of total industry customer equity and ETF option ADV contracts per day in a month
- Tier 5** Participant: (a) adds NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols above 1.00% of total industry customer equity and ETF option ADV contracts per day in a month; **or** (b) adds NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols of above 0.40% of total industry customer equity and ETF option ADV contracts per day in a month **and** transacts in all securities through one or more of its Nasdaq Market Center MPIDs that represent 0.40% or more of Consolidated Volume (“CV”) which adds liquidity in the same month on The Nasdaq Stock Market
- Tier 6** Participant: (a)(1) adds NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols above 0.95% of total industry customer equity and ETF option ADV contracts per day in a month, (2) executes Total Volume of 250,000 or more contracts per day in a month, of which 30,000 or more contracts per day in a month must be removing liquidity, and (3) adds Firm, Broker-Dealer and Non-NOM Market Maker liquidity in Non-Penny Symbols of 10,000 or more contracts per day in a month; **or** (b)(1) adds NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols above 1.40% of total industry customer equity and ETF option ADV contracts per day in a month, and (2) executes Total Volume of 250,000 or more contracts per day in a month, of which 15,000 or more contracts per day in a month must be removing liquidity

### **Proposal**

NOM Market Makers and Non-NOM Market Makers who remove liquidity in Penny Symbols are subject to note 2 of Options 7, Section 2(1) which currently states,

Participants that add 1.30% of Customer, Professional, Firm, Broker-Dealer or Non-NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols of total industry customer equity and ETF option ADV contracts per day in a month will be subject to the following pricing



applicable to executions: a \$0.48 per contract Penny Symbols Fee for Removing Liquidity when the Participant is (i) both the buyer and the seller or (ii) the Participant removes liquidity from another Participant under Common Ownership.

Participants that add 1.50% of Customer, Professional, Firm, Broker-Dealer or Non-NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols of total industry customer equity and ETF option ADV contracts per day in a month and meet or exceed the cap for The Nasdaq Stock Market Opening Cross during the month will be subject to the following pricing applicable to executions less than 10,000 contracts: a \$0.38 per contract Penny Symbols Fee for Removing Liquidity when the Participant is (i) both the buyer and seller or (ii) the Participant removes liquidity from another Participant under Common Ownership.

Participants that add 1.75% of Customer, Professional, Firm, Broker-Dealer or Non-NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols of total industry customer equity and ETF option ADV contracts per day in a month will be subject to the following pricing applicable to executions less than 10,000 contracts: a \$0.38 per contract Penny Symbols Fee for Removing Liquidity when the Participant is (i) both the buyer and seller or (ii) the Participant removes liquidity from another Participant under Common Ownership.

Specifically, NOM proposes to lower the percentages of Customer, Professional, Firm, Broker-Dealer or Non-NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols of total industry customer equity and ETF option ADV contracts per day in a month for NOM Market Makers and Non-NOM Market Makers to achieve each of the note 2 incentives in Options 7, Section 2(1).

First, NOM proposes to lower the percentage of Customer, Professional, Firm,<sup>9</sup> Broker-Dealer<sup>10</sup> or Non-NOM Market Maker add liquidity in Penny Symbols and/or Non-Penny Symbols from 1.30% to 1.10% of total industry customer equity and ETF

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<sup>9</sup> The term “Firm” or (“F”) applies to any transaction that is identified by a Participant for clearing in the Firm range at OCC. See Options 7, Section 1(a).

<sup>10</sup> The term “Broker-Dealer” or (“B”) applies to any transaction which is not subject to any of the other transaction fees applicable within a particular category. See Options 7, Section 1(a).

option ADV contracts per day in a month. NOM would continue to assess NOM Market Makers and Non-NOM Market Makers a \$0.48 per contract Penny Symbol Fee for Removing Liquidity when the Participant is (i) both the buyer and the seller or (ii) the Participant removes liquidity from another Participant under Common Ownership for executions.

Second, NOM proposes to lower the percentage of Customer, Professional, Firm, Broker-Dealer or Non-NOM Market Maker add liquidity in Penny Symbols and/or Non-Penny Symbols from 1.50% to 1.30% of total industry customer equity and ETF option ADV contracts per day in a month provided the Participant meets or exceeds the cap for The Nasdaq Stock Market Opening Cross<sup>11</sup> during the month for executions less than 10,000 contracts. NOM would continue to assess NOM Market Makers and Non-NOM Market Makers a \$0.38 per contract Penny Symbol Fee for Removing Liquidity when the Participant is (i) both the buyer and seller or (ii) the Participant removes liquidity from another Participant under Common Ownership.

Third, NOM proposes to lower the percentage of Customer, Professional, Firm, Broker-Dealer or Non-NOM Market Maker add liquidity in Penny Symbols and/or Non-Penny Symbols from 1.75% to 1.55% of total industry customer equity and ETF option ADV contracts per day in a month. NOM would continue to assess NOM Market Makers and Non-NOM Market Makers a \$0.38 per contract Penny Symbol Fee for Removing Liquidity when the Participant is (i) both the buyer and seller or (ii) the Participant

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<sup>11</sup> See Equity 7, Section 118(e)(2). Firms that execute orders in the Nasdaq Opening Cross will be subject to fees for such executions up to a monthly maximum of \$35,000, provided, however, that such firms add at least one million shares of liquidity, on average per day, per month.

removes liquidity from another Participant under Common Ownership for executions less than 10,000 contracts.

The Exchange believes that reducing the various percentages of liquidity necessary for NOM Market Makers and Non-NOM Market Makers to achieve each of the note 2 incentives in Options 7, Section 2(1) will attract a greater amount of order flow to NOM to the benefit of other Participants who may interact with that order flow.

The Exchange also proposes to relocate the reference to note 2 within Options 7, Section 2(1) to the Penny Symbol column to more accurately reflect the impacted fee which is specified in the rule text of note 2 as the Penny Symbol Fee for Removing Liquidity. Currently, the note 2 references are adjacent to the Non-NOM Market Maker and NOM Market Maker participant column.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>12</sup> in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,<sup>13</sup> 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 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

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

<sup>13</sup> 15 U.S.C. 78f(b)(4) and (5).

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.”<sup>14</sup>

Likewise, in NetCoalition v. Securities and Exchange Commission<sup>15</sup> (“NetCoalition”) the D.C. Circuit upheld the Commission’s use of a market-based approach in evaluating the fairness of market data fees against a challenge claiming that Congress mandated a cost-based approach.<sup>16</sup> As the court emphasized, the Commission “intended in Regulation NMS that ‘market forces, rather than regulatory requirements’ play a role in determining the market data . . . to be made available to investors and at what cost.”<sup>17</sup>

Further, “[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 monopoly, regulatory or otherwise, in the execution of order flow from broker dealers’ ....”<sup>18</sup> Although the court and the SEC were discussing the cash equities markets, the Exchange believes that these views apply with equal force to the options markets.

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<sup>14</sup> Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (“Regulation NMS Adopting Release”).

<sup>15</sup> NetCoalition v. SEC, 615 F.3d 525 (D.C. Cir. 2010).

<sup>16</sup> See NetCoalition, at 534 - 535.

<sup>17</sup> Id. at 537.

<sup>18</sup> Id. at 539 (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782-83 (December 9, 2008) (SR-NYSEArca-2006-21)).

The Exchange's proposal to amend note 2 of NOM Options 7, Section 2(1) to lower the percentage of Customer, Professional, Firm, Broker-Dealer or Non-NOM Market Maker add liquidity in Penny Symbols and/or Non-Penny Symbols from 1.30% to 1.10% of total industry customer equity and ETF option ADV contracts per day in a month and continue to assess NOM Market Makers and Non-NOM Market Makers a \$0.48 per contract Penny Symbol Fee for Removing Liquidity when the Participant is (i) both the buyer and the seller or (ii) the Participant removes liquidity from another Participant under Common Ownership for executions is reasonable as additional Participants may be able to achieve the incentive. The Exchange believes that this amendment may attract additional order flow to the Exchange for an opportunity for NOM Market Makers and Non-NOM Market Makers to assess a lower Penny Symbol Fee for Removing Liquidity. To the extent that NOM Participants continue to add liquidity on NOM to meet the proposed volume threshold to receive the incentive, the Exchange believes that its proposal will benefit all market participants who will be able to interact with the additional liquidity.

The Exchange's proposal to amend note 2 of NOM Options 7, Section 2(1) to lower the percentage of Customer, Professional, Firm, Broker-Dealer or Non-NOM Market Maker add liquidity in Penny Symbols and/or Non-Penny Symbols from 1.50% to 1.30% of total industry customer equity and ETF option ADV contracts per day in a month, provided the Participant meets or exceeds the cap for The Nasdaq Stock Market Opening Cross during the month for executions less than 10,000 contracts, and continue to assess NOM Market Makers and Non-NOM Market Makers a \$0.38 per contract Penny Symbol Fee for Removing Liquidity when the Participant is (i) both the buyer and

seller or (ii) the Participant removes liquidity from another Participant under Common Ownership is reasonable as additional Participants may be able to achieve the incentive. The Exchange believes that this amendment may attract additional order flow to the Exchange for an opportunity for NOM Market Makers and Non-NOM Market Makers to assess a lower Penny Symbol Fee for Removing Liquidity. To the extent that NOM Participants continue to add liquidity on NOM to meet the proposed volume threshold to receive the incentive, the Exchange believes that its proposal will benefit all market participants who will be able to interact with the additional liquidity. Note 2 will also continue to incentivize Participants to increase their provision of liquidity on the Exchange's equity and options markets.

The Exchange's proposal to amend note 2 of NOM Options 7, Section 2(1) to lower the percentage of Customer, Professional, Firm, Broker-Dealer or Non-NOM Market Maker add liquidity in Penny Symbols and/or Non-Penny Symbols from 1.75% to 1.55% of total industry customer equity and ETF option ADV contracts per day in a month for executions less than 10,000 contracts and continue to assess NOM Market Makers and Non-NOM Market Makers a \$0.38 per contract Penny Symbol Fee for Removing Liquidity when the Participant is (i) both the buyer and seller or (ii) the Participant removes liquidity from another Participant under Common Ownership is reasonable as additional Participants may be able to achieve the incentive. The Exchange believes that this amendment may attract additional order flow to the Exchange for an opportunity for NOM Market Makers and Non-NOM Market Makers to assess a lower Penny Symbol Fee for Removing Liquidity. To the extent that NOM Participants continue to add liquidity on NOM to meet the proposed volume threshold to receive the

incentive, the Exchange believes that its proposal will benefit all market participants who will be able to interact with the additional liquidity.

The Exchange's proposal to amend note 2 of NOM Options 7, Section 2(1) to lower the various percentages of add liquidity necessary for NOM Market Makers and Non-NOM Market Makers to achieve the applicable lower Penny Symbol Fee for Removing Liquidity is equitable and not unfairly discriminatory because the Exchange will uniformly assess NOM Market Makers and Non-NOM Market Makers the applicable Penny Symbol Fee for Removing Liquidity provided they meet the requirements for the lower fee. Offering these discounts to NOM Market Makers is equitable and not unfairly discriminatory because NOM Market Makers have obligations to the market and regulatory requirements which do not apply to other market participants.<sup>19</sup> A NOM Market Maker has the obligation, for example, to make continuous markets, engage in a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and not make bids or offers or enter into transactions that are inconsistent with a course of dealings. The proposed differentiation as between NOM Market Makers and other market participants recognizes the differing contributions of NOM Market Makers. For the above reasons, the Exchange believes that NOM Market Makers are entitled to discounted fees, provided they qualify for the discount. The Exchange believes it is equitable and not unfairly discriminatory to offer the fee discount to Non-NOM Market Makers because the Exchange is offering Participants flexibility in the manner in which they are submitting their orders. Non-NOM Market Makers have obligations on other exchanges to qualify as a market maker.

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<sup>19</sup> See NOM Options 2, Sections 4 and 5.

Also, the Exchange believes that market makers not registered on NOM will be encouraged to send orders to NOM as an away market maker (Non-NOM Market Maker) with this incentive. Because the incentive is being offered to both market makers registered on NOM and those not registered on NOM, the Exchange believes that the proposal is equitable and not unfairly discriminatory because it encourages market makers to direct liquidity to NOM to the benefit of all Participants. This proposal recognizes the overall contributions made by market makers to a listed options

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.

*Inter-market Competition*

The proposal does not impose an undue burden on inter-market competition. The Exchange believes its proposal remains competitive with other options markets and will offer market participants with another venue in which to submit orders. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.



*Intra-market Competition*

The Exchange's proposal to amend note 2 of NOM Options 7, Section 2(1) to lower the various percentages of add liquidity necessary for NOM Market Makers and Non-NOM Market Makers to achieve the applicable lower Penny Symbol Fee for Removing Liquidity does not impose an undue burden on competition because the Exchange will uniformly assess NOM Market Makers and Non-NOM Market Makers the applicable Penny Symbol Fee for Removing Liquidity provided they meet the requirements for the lower fee. Offering these discounts to NOM Market Makers does not impose an undue burden on competition because NOM Market Makers have obligations to the market and regulatory requirements which do not apply to other market participants.<sup>20</sup> A NOM Market Maker has the obligation, for example, to make continuous markets, engage in a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and not make bids or offers or enter into transactions that are inconsistent with a course of dealings. The proposed differentiation as between NOM Market Makers and other market participants recognizes the differing contributions of NOM Market Makers. For the above reasons, the Exchange believes that NOM Market Makers are entitled to discounted fees, provided they qualify for the discount. The Exchange believes it does not impose an undue burden on competition to offer the fee discount to Non-NOM Market Makers because the Exchange is offering Participants flexibility in the manner in which they are submitting their orders. Non-NOM Market Makers have obligations on other exchanges to qualify as a market maker. Also, the Exchange believes that market makers not registered on NOM will be

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<sup>20</sup> See NOM Options 2, Sections 4 and 5.

encouraged to send orders to NOM as an away market maker (Non-NOM Market Maker) with this incentive. Because the incentive is being offered to both market makers registered on NOM and those not registered on NOM, the Exchange believes that the proposal does not impose an undue burden on competition because it encourages market makers to direct liquidity to NOM to the benefit of all Participants. This proposal recognizes the overall contributions made by market makers to a listed options market.

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.<sup>21</sup>

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

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<sup>21</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

#### 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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-NASDAQ-2025-014 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-2025-014. This file number should be included on the subject line if email 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 website (<https://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 a.m. and 3

p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NASDAQ-2025-014 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>22</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>22</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

*New text is underlined>; deleted text is in brackets.*

**The Nasdaq Stock Market LLC Rules**

\* \* \* \* \*

**Options Rules**

\* \* \* \* \*

**Options 7 Pricing Schedule**

\* \* \* \* \*

**Section 2 Nasdaq Options Market - Fees and Rebates**

The following charges shall apply to the use of the order execution and routing services of The Nasdaq Options Market for all securities.

(1) Fees and Rebates for Execution of Contracts on The Nasdaq Options Market\*

Rebates to Add Liquidity in Penny Symbols

	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6
Customer <sup>1,9,10</sup>	(\$0.20)	(\$0.25)	(\$0.43)	(\$0.44)	(\$0.45)	(\$0.48) <sup>7</sup>
Professional <sup>1,9,10</sup>	(\$0.20)	(\$0.25)	(\$0.43)	(\$0.44)	(\$0.45)	(\$0.47)
Broker-Dealer	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.10)
Firm	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.10)
Non-NOM Market Maker	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.10)
NOM Market Maker <sup>3</sup>	(\$0.20)	(\$0.25) <sup>4</sup>	(\$0.30) <sup>4</sup>	(\$0.32) <sup>4</sup>	(\$0.44) <sup>11</sup>	(\$0.48)

Fees and Rebates to Add Liquidity in Non-Penny Symbols

Customer <sup>9,10,12</sup>	(\$0.80)
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Professional <sup>9,10,12</sup>	(\$0.80)
Broker-Dealer	\$0.45
Firm	\$0.45
Non-NOM Market Maker	\$0.45
NOM Market Maker <sup>5,6</sup>	\$0.35/\$0.00/(\$0.20)/(\$0.40)

#### Fees to Remove Liquidity in Penny and Non-Penny Symbols

	Penny Symbols	Non-Penny Symbols
Customer	\$0.49	\$0.85
Professional	\$0.49	\$0.85
Broker-Dealer	\$0.50	\$1.25
Firm	\$0.50	\$1.25
Non-NOM Market Maker <sup>[2]</sup>	\$0.50 <sup>2</sup>	\$1.25
NOM Market Maker <sup>[2]</sup>	\$0.50 <sup>2</sup>	\$1.25

\*Orders executed in the Opening Cross per Options 3, Section 8 are not subject to Options 7, Section 2(1) pricing, instead, these orders are subject to the pricing within Options 7, Section 2(2).

<sup>1</sup> The Customer and Professional Rebate to Add Liquidity in Penny Symbols will be paid per the highest tier achieved below. To determine the applicable percentage of total industry customer equity and ETF option average daily volume, unless otherwise stated, the Participant's Penny Symbol and Non-Penny Symbol Customer and/or Professional volume that adds liquidity will be included.

#### Monthly Volume

Tier 1 Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols of up to 0.10% of total industry customer equity and ETF option average daily volume (“ADV”) contracts per day in a month

Tier 2	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.10% of total industry customer equity and ETF option ADV contracts per day in a month
Tier 3	Participant: (a) adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.20% of total industry customer equity and ETF option ADV contracts per day in a month; or (b) adds Customer and/or Professional liquidity in Penny Symbols and/or Non-Penny Symbols above 0.05% of total industry customer equity and ETF option ADV contracts per day in a month and qualifies for MARS
Tier 4	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.30% of total industry customer equity and ETF option ADV contracts per day in a month
Tier 5	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.40% of total industry customer equity and ETF option ADV contracts per day in a month
Tier 6 <sup>##</sup>	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.70% or more of total industry customer equity and ETF option ADV contracts per day in a month, or Participant : (1) adds Customer and/or Professional liquidity in Penny Symbols and/or Non-Penny Symbols of 0.10% or more of total industry customer equity and ETF option ADV contracts per day in a month, and (2) has added liquidity in all securities through one or more of its Nasdaq Market Center MPIDs that represent 1.00% or more of Consolidated Volume in a month or qualifies for MARS (defined below)

<sup>2</sup> Participants that add 1.10[30]% of Customer, Professional, Firm, Broker-Dealer or Non-NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols of total industry customer equity and ETF option ADV contracts per day in a month will be subject to the following pricing applicable to executions: a \$0.48 per contract Penny Symbols Fee for Removing Liquidity when the Participant is (i) both the buyer and the seller or (ii) the Participant removes liquidity from another Participant under Common Ownership.

Participants that add 1.30[50]% of Customer, Professional, Firm, Broker-Dealer or Non-NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols of total industry customer equity and ETF option ADV contracts per day in a month and meet or

exceed the cap for The Nasdaq Stock Market Opening Cross during the month will be subject to the following pricing applicable to executions less than 10,000 contracts: a \$0.38 per contract Penny Symbols Fee for Removing Liquidity when the Participant is (i) both the buyer and seller or (ii) the Participant removes liquidity from another Participant under Common Ownership.

Participants that add 1.55[75]% of Customer, Professional, Firm, Broker-Dealer or Non-NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols of total industry customer equity and ETF option ADV contracts per day in a month will be subject to the following pricing applicable to executions less than 10,000 contracts: a \$0.38 per contract Penny Symbols Fee for Removing Liquidity when the Participant is (i) both the buyer and seller or (ii) the Participant removes liquidity from another Participant under Common Ownership.

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