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

File No. * SR 2025 - * 109

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 checked="" type="checkbox"/>	Section 19(b)(3)(A) * <input 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"/>	Rule <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input 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)		
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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 Extend the Exchange's U.S. Equities Trading Hours to 23 hours a day, 5 Days a Week.

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 * [Redacted] Last Name * Kitt

Title * [Redacted]

E-mail * [Redacted]

Telephone * [Redacted] Fax [Redacted]

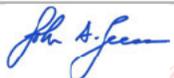
Signature

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 12/29/2025 (Title *)

By John A. 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: 2025.12.29 16:39:29 -05'00'

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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-2025-109 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-2025-109 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-2025-109 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”)¹ and Rule 19b-4 thereunder,² is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to amend the Exchange’s rules to provide for the Exchange to trade equity securities and exchange traded products 23 hours per day, five days per week.

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 the Board of Directors (the “Board”) on October 29, 2025. No other action is necessary for the filing of the rule change.



¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

a. Purpose

The purpose of the proposed rule change is to amend the Exchange’s Rulebook to provide for the Exchange to trade equity securities and exchange traded products (“ETPs”) on a 23 hours per day, five days per week basis (“23/5”).

Background and Overview

The history of the U.S. equities markets is one marked by successive waves of change and technological innovation. Among other things, these changes and innovations included the automation of trading and the introductions of decimalization, algorithmic trading, and colocation. When these innovations arose, they spurred equity market structure to evolve to accommodate them. The latest change to impact the markets is rising investor interest in trading U.S. equities during overnight hours, especially among investors located outside of the United States.³ To align Nasdaq with emerging investor interest in trading outside of traditional U.S. market hours, Nasdaq now proposes to extend its hours for trading equity securities and ETPs on the Exchange from 16 hours per day, 5 days per week, to 23 hours per day, 5 days per week.

Nasdaq has designed its proposal for 23/5 trading carefully. We have solicited and we continue to solicit feedback from those who stand to be impacted most by the proposal, including Nasdaq’s listed companies and market participants. Nasdaq is also an

³ Certain alternative trading systems (“ATS”), such as Blue Ocean, already trade securities on an overnight basis. Meanwhile, the Commission has approved several new and existing exchanges to securities on an extended overnight basis, but none has begun to do so. See Securities Exchange Act Release No. 34-102400 (Feb. 11, 2025); 90 FR 9794 (Feb. 18, 2025) (order approving NYSE Arca Inc. proposal to lengthen its trading session to 22 hours per day, 5 days per week) (“NYSE Arca Approval Order”); Securities Exchange Act. Release No. 89-235 (Nov. 27, 2024); 89 FR 97092 (order approving application of 24X National Exchange, LLC for registration as a national securities exchange and to trade 23 hours per day, 5 days per week) (“24X Approval Order”).

active participant in ongoing industry discussions about how to address, in a coordinated manner, market protections, halts, and corporate actions. We expect to supplement and refine this proposal as we receive feedback and work through technical and policy issues.

By way of background, Nasdaq presently trades securities in three daily sessions during each weekday from Monday through Friday. First, Nasdaq operates a Pre-Market Hours session from 4:00AM to 9:30AM ET.⁴ Second, commencing at 9:30AM with the execution of the Nasdaq Opening Cross, Nasdaq conducts its Regular Market Hours trading session until 4:00PM.⁵ Third, commencing at 4:00PM with the execution of the Nasdaq Closing Cross, Nasdaq conducts a Post-Market Hours⁶ trading session until 8:00 PM.⁷ During weekdays, between the hours of 8:00 PM-4:00 AM ET, the Exchange is closed to trading as it is during all weekend hours.

⁴ See Rule Equity 1, Section 1(a)(9) (defining the term “Pre-Market Hours” as “the period of time beginning at 4:00 a.m. ET and ending immediately prior to the commencement of Market Hours.”). As discussed below, the Exchange is proposing non-substantive changes to this rule.

⁵ See Rule Equity 1, Section 1(a)(9) (defining the term “Market Hours” as the period of time beginning at 9:30 a.m. ET and ending at 4:00 p.m. ET or such earlier time as may be designated by Nasdaq on a day when Nasdaq closes early). As discussed below, the Exchange proposes to rename this session “Regular Market Hours” and make other non-substantive conforming changes to this rule.

⁶ See Rule Equity 1, Section 1(a)(9) (defining the term “Post-Market Hours” as the period of time beginning immediately after the end of Market Hours and ending at 8:00 p.m. ET). As discussed below, the Exchange is proposing non-substantive changes to this rule.

⁷ The Exchange uses different terms to describe each of its trading sessions. For example, to refer to its pre-market hours session, the Exchange uses varying terms, such as “Pre-Market,” “Early Market Hours,” or “Early Market.” And to refer to its post-market hours session, the Exchange uses varying terms, such as “Post-Market,” “Extended Hours,” and “Extended Market Hours.” As part of this filing, the Exchange proposes to harmonize disparate and inconsistent references to these concepts to avoid confusion. Throughout the Rulebook, as amended, the Exchange proposes to define the terms “Pre-Market Hours” and “Post-Market Hours” exclusively to refer to those specific trading periods. In addition, the Exchange proposes to define the term “Extended Hours” to refer more generally to trading that occurs outside of Regular Market Hours. See proposed Rule 1, Equity 1, Sections 1(a)(20)-(21) and (23) (defining the terms “Pre-Market Hours,” Post-Market Hours, “ and “Extended Hours,” respectively).

During its current Pre-Market and Post-Market trading sessions, Nasdaq offers more limited trading functionality than it does during the Regular Market Hours trading session and trading during that period is subject to less stringent regulation. For example, outside of “regular trading hours,”⁸ most aspects of the SEC’s Regulation National Market System (“Reg. NMS”)⁹ do not apply, including the prohibition against trade-throughs.¹⁰ Meanwhile, the Exchange does not offer certain order types during these trading sessions, such as pegged orders. Moreover, during extended hours trading sessions, liquidity tends to be lower than it is during regular trading hours. Stock prices, which are not linked to an NBBO during extended hours trading, may differ from market to market, and spreads may be wider. Additionally, stocks often experience more volatile trading activity during these sessions. Accordingly, to the extent that markets like Nasdaq allow trading to occur in extended hours trading sessions, FINRA requires brokers that participate in these sessions to affirmatively disclose to investors that extended hours trading carries greater risks than trading during regular market hours.¹¹

Although trading volume in extended hours trading tends to be considerably lower than it is during regular market hours, Nasdaq has observed a growing interest in trading during overnight hours, particular among investors located in Asia and other foreign jurisdictions where business hours do not coincide, fully or otherwise, with U.S. regular market hours. For these investors, extended market hours trading sessions often

⁸ See 17 CFR 242.600(b)(88) (defining the term “regular trading hours” to mean 9:30AM-4PM Eastern Time).

⁹ 17 CFR 242.600-614.

¹⁰ See 17 CFR 242.600(b)(105) (defining a trade-through, for purposes of Rule 611 of Reg. NMS, as the purchase or sale of an NMS stock “during regular trading hours”).

¹¹ See FINRA Rule 2265 (Extended Hours Trading Risk Disclosure).

provide some real-time access to Nasdaq during their business hours, but for many, Nasdaq is closed during hours when they are most apt to trade. Increasingly, these investors are turning to ATSS that offer overnight trading, such as Blue Ocean, Bruce, Interactive Brokers, and OTC Moon. They are also increasingly utilizing trading platforms that provide access to markets for digital assets, including cryptocurrencies, tokenized assets, and tokenized securities, on a 24/7 basis. Nasdaq submits its proposal to extend its trading hours to compete for order flow from these investors, as well as to position itself favorably in the future to participate in markets that trade digital assets.

Overview of Nasdaq’s Proposal for 23/5 Trading

Going forward, Nasdaq proposes to conduct trading 23 hours per day, 5 days per week. It proposes doing so in two trading sessions rather than three. First, it will conduct a “Day” trading session, which will be the same and comprise its existing Pre-Market Hours, Regular Market Hours, and Post-Market Hours trading sessions.¹² The Day Session will commence at 4:00 AM ET and end at 8:00 PM ET, and it will continue to feature both the Nasdaq Opening Cross and the Nasdaq Closing Cross. Second, Nasdaq will conduct a “Night” trading session, which will commence at 9:00PM ET and end at 4:00AM ET the next calendar day.¹³ As we explain below, between 8:00 PM and 9:00

¹² See Rule Equity 1, Section 1(a)(9).

¹³ See proposed Rule Equity 1, Section 1(a)(19) (defining the term “Night Session” as “the time between 9:00 p.m. on one calendar day through 4:00 a.m. the next calendar day Sunday through Thursday provided that each such next calendar day is a Business Day.”). To enhance clarity and consistent with approved rules of other national securities exchanges, and specifically 24X and NYSE Arca, the Exchange proposes to define the term “Business Day” to mean any Sunday from 9 PM ET through Monday, and any Tuesday, Wednesday, Thursday or Friday other than any of the following U.S. holidays if they are celebrated on a Monday, Tuesday, Wednesday, Thursday or Friday: New Year’s Day, Martin Luther King Jr. Day, Presidents’ Day, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day Eastern Time, or such other U.S. holiday(s) as published by the Exchange from time to time). See proposed Rule Equity 1, Section 1(a)(17).

PM ET on each weekday, the Exchange will pause trading on its market to conduct maintenance, testing, and to process those corporate actions, such as mergers, stock splits, and dividends, that will become effective the following trading day. The pause will also allow for market participants to process and clear trades before proceeding to a new trading day. Nasdaq proposes to keep its markets closed during all weekend hours, except that the trading week will commence with a Night Session on Sunday nights at 9:00 PM ET.¹⁴ The trading week will end at the conclusion of the Day session on Friday.¹⁵

On a holiday or another day when the Exchange is closed for business, the closure will be effective as of 8:00 PM ET on the calendar day prior to the closure date, and the market will reopen at 9:00 PM ET on the closure date, unless the closure date is a Friday, in which case the market will reopen on Sunday evening at 9:00 PM ET.¹⁶ On a day when Nasdaq closes the market early, it will resume trading at 9:00 PM ET on the same calendar day, unless again, the early closure date is a Friday, in which case the Exchange will resume trading on Sunday evening at 9:00 PM ET.¹⁷

Consistent with the approved rules of other national securities exchanges that are similarly proposing to extend their trading hours overnight,¹⁸ Nasdaq proposes to launch

¹⁴ See proposed Rule Equity 1, Section 1(a)(19) (defining the term “Night Session”).

¹⁵ See proposed Rule Equity 1, Section 1(a)(18). The Exchange proposes a non-substantive change to define the term “Day Session” in proposed Rule 1 Equity 1, Section 1(a)(18) as follows: “[t]he term “Day Session” means the time between 4:00 a.m. Eastern Time and 8:00 p.m. Eastern Time on Business Days, during which period the Pre-Market Hours, Regular Market Hours and Post-Market Hours are in operation.” The Exchange believes this non-substantive change is designed to facilitate application of the rules by combining references to the three current trading sessions into one broader day trading session for referencing purposes only thereby simplifying the conceptualization and application of the proposed rules. See *id.*

¹⁶ See proposed Rule Equity 1, Section 1(a)(19).

¹⁷ See proposed Rule Equity 1, Section 1(a)(19).

¹⁸ See 24X Approval Order, *supra* note 3, 89 FR at 97105-07 (approving application of 24X to trade overnight provided that it may not begin doing so until the Equity Data Plans have announced their preparedness to collect, consolidate, process, and disseminate quotation and transaction

the operation of its 23/5 market upon the availability of the Securities Information Processor (“SIP”) to operate during the Night session.¹⁹

To facilitate this proposal to extend Nasdaq’s trading hours, Nasdaq proposes to amend numerous rules in its Rulebook. Rather than catalogue all such proposed changes, the majority of which are non-substantive changes to reflect revised trading times, we focus below on describing only those changes that will have a material impact on the operation of the Nasdaq Stock Market.

Before we describe what Nasdaq proposes to change, we first want to make clear what will remain the same. The following aspects of Nasdaq’s trading system and procedures will not change when trading equities and ETPs on a 23/5 basis:

- Listing rules
- Membership rules
- Rules of conduct
- Market Maker obligations

information during the overnight hours; the SEC would nullify approval of 24X rules governing overnight trading if such readiness does not occur within 18 months of the issuance of the approval order); NYSE Arca Approval Order, supra note 3. See also 24X Rule 1.5(c); NYSE Arca Rule 7.34-E.

¹⁹ See proposed Rule Equity 1, Section 1(19) (defining the term “Night Session” and further providing that (1) the Exchange shall not commence operation of the Night Session unless the Equity Data Plans (1) have established a mechanism to collect, consolidate, process and disseminate quotation and transaction information at all times during the Night Session that is equivalent to the mechanism established for Exchange trading hours during Regular Market Hours, and (2) have provided the Exchange with notification that they are prepared to collect, consolidate, process and disseminate quotation and transaction information to accommodate the Night Session; (2) that prior to commencing operation during the Night Session, the Exchange will file a proposed rule change pursuant to Section 19(b) of the Exchange Act and the rules thereunder to amend its rules confirming that the Exchange is able to comply with its obligations under the Exchange Act and the rules thereunder during the Night Session and that such Equity Data Plans are prepared to collect, consolidate, process and disseminate quotation and transaction information at all times during the Night Session (“Night Session Proposed Rule Change”); and (3) that if the Night Session Proposed Rule Change is not filed within 18 months of the SEC’s approval of this proposed rule change, the Exchange will promptly file a proposed rule change to remove the rules that apply to the Night Session). See id.

- Ranking, display, priority and decrementation rules
- Disciplinary rules and enforcement
- Opening and Closing Crosses
- Clearly Erroneous protections

The “Day” Trading Session

The new Day trading session will combine and incorporate, without substantive changes, all elements of what are now the Pre-Market Hours,²⁰ Regular Market Hours,²¹ and Post-Market Hours²² trading sessions. Going forward, the Rules will delineate these sessions as distinct sub-parts of the Day Session.²³ During the Day Session, all existing requirements, procedures, behaviors and processes, including those governing the Opening and Closing Crosses, halts, routing, order types, attributes, times-in-force, order entry protocols, connectivity, market data, etc., all will persist in their current form, with only minor conforming changes (described below). For example, Order Type availability and behavior in the Pre-Market Hours of 4:00-9:30 AM ET will remain the same going

²⁰ See Rule Equity 1, Section 1(a)(9) (defining the terms “Market Hours,” “Pre-Market Hours,” and “Post-Market Hours”). To effect this change, the Exchange proposes a non-substantive term to define the term “Pre-Market Hours” as that subset of the Day Session comprising the trading session that begins at 4:00 a.m. and continues until 9:30 a.m. on Business Days. See proposed Rule Equity 1, Section 1(a)(20).

²¹ See Rule Equity 1, Section 1(a)(9). To effect this change, the Exchange proposes a non-substantive term to define the term “Regular Market Hours” as that subset of the Day Session comprising the trading session that begins at 9:30 a.m. and continues until 4:00 p.m. or 4:15 p.m. on Business Days. See proposed Rule Equity 1, Section 1(a)(22).

²² See Rule Equity 1, Section 1(a)(9). To effect this change, the Exchange proposes a non-substantive term to define the term “Post-Market Hours” as that subset of the Day Session comprising the trading session that begins at 4:00 p.m. or 4:15 p.m. and that continues until 8:00 p.m. on Business Days. See proposed Rule Equity 1, Section 1(a)(21).

²³ See proposed Rule Equity 1, Sections 1(a)(18), and (20)-(21).

forward as it is now.²⁴ As another example, limits on Order Type availability in Post-Market trading will continue to apply.²⁵

The “Night” Trading Session

By contrast to the Day trading session, the proposed Night trading session will be an entirely new trading session that will cover a period of the night in the Eastern Time Zone in the United States in which trading on the Exchange does not now occur.²⁶ In many ways, the Night session will be like the existing Post-Market Hours and Pre-Market Hours trading sessions in that it will feature limited functionality to reflect the inapplicability of Reg. NMS and reduced trading activity. The Night Session will also feature a limited number of Order Types and Attributes.

²⁴ See proposed Rule 4702.

²⁵ See proposed Rule 4702. Consistent with the behavior of such order during extended hours, the Exchange proposes to amend Rule 4702(b)(3)(A), that during the Night Session, as is the case during Pre- and Post-Market Hours, a Non-Displayed Order will be posted at its entered limit price without adjustment. See proposed Rule 4702(b)(3)(A). The Exchange further proposes to amend Rule 4702(b)(4) to provide that, during the Night Session, as is the case today with respect to the Pre- and Post-Market Hours, a Post-Only Order will be processed in a manner identical to Regular Market Hours with respect to locking or crossing Orders on the Nasdaq Book, but will not be cancelled or have its price adjusted with respect to locking or crossing the quotations of other market centers. See proposed Rule 4702(b)(4). The Exchange believes this proposed change is appropriate because the Night Session is effectively an extension of the Exchange’s current extended hours, and this proposed change conforms the behavior of this order during the current extended hours through the hours of operation of the Night Session, as proposed.

²⁶ See proposed Rule 1 Equity, Section 1(a)(19).

Specifically, the following Order Types will not be available during the Night Session : Supplemental²⁷; Market Maker Peg²⁸; Market On Open (“MOO”)²⁹; Limit on Open (“LOO”)³⁰; Opening Imbalance Only (“OIO Order”)³¹; Market on Close (“MOC Order”)³²; Limit on Close (“LOC Order”)³³; Imbalance-Only (“IO Order”).³⁴ Company

²⁷ A “Supplemental Order” is an Order Type with a Non-Display Order Attribute that is held on the Nasdaq Book in order to provide liquidity at the NBBO through a special execution process described in Rule 4757(a)(1)(D). A Supplemental Order may be entered at any time during Pre-Market Hours, or Regular Market Hours, but is available for potential execution only during Market Hours. Any Supplemental Orders still on the Nasdaq Book at the conclusion of Market Hours will be cancelled. See Rule 4702(b)(6).

²⁸ A “Market Maker Peg Order” is an Order Type designed to allow a Market Maker to maintain a continuous two-sided quotation at a displayed price that is compliant with the quotation requirements for Market Makers set forth in Rule Equity 2, Section 5(a)(2). The Exchange is proposing to provide Market Maker Peg Orders are not available during the Night Session, and, further, that Market Maker Peg Orders designated for the Night Session will be cancelled. See proposed Rule 4702(b)(7)(A).

²⁹ A “Market On Open Order” or “MOO Order” is an Order Type entered without a price that may be executed only during the Nasdaq Opening Cross. Subject to the qualifications provided in Rule 4702(b)(8), MOO Orders may be entered between 4 a.m. ET and immediately prior to 9:28 a.m. ET. An MOO Order will execute only at the price determined by the Nasdaq Opening Cross. See Rule 4702(b)(8).

³⁰ A “Limit On Open Order” or “LOO Order” is an Order Type entered with a price that may be executed only in the Nasdaq Opening Cross, and only if the price determined by the Nasdaq Opening Cross is equal to or better than the price at which the LOO Order was entered. Subject to the qualifications provided in Rule 4702(b)(9), LOO Orders may be entered between 4 a.m. ET and immediately prior to 9:28 a.m. See Rule 4702(b)(9).

³¹ An “Opening Imbalance Only Order” or “OIO Order” is an Order Type entered with a price that may be executed only in the Nasdaq Opening Cross and only against MOO Orders, LOO Orders, or Early Market Hours Orders (as defined in Rule 4752). OIO Orders may be entered between 4:00 a.m. ET until the time of execution of the Nasdaq Opening Cross, but may not be cancelled or modified at or after 9:25 a.m. ET. See Rule 4702(b)(10)(A).

³² A “Market On Close Order” or “MOC Order” is an Order Type entered without a price that may be executed only during the Nasdaq Closing Cross. Subject to the qualifications provided in Rule 4702(b)(11), MOC Orders may be entered between 4 a.m. ET and immediately prior to 3:55 p.m. See Rule 4702(b)(11).

³³ A “Limit On Close Order” or “LOC Order” is an Order Type entered with a price that may be executed only in the Nasdaq Closing Cross and only if the price determined by the Nasdaq Closing Cross is equal to or better than the price at which the LOC Order was entered, subject to qualifications set out in Rule 4702(b)(12). Subject to qualifications set out in the Rule, LOC Orders may be entered, cancelled, and/or modified between 4 a.m. ET and immediately prior to 3:50 p.m. ET. . See Rule 4702(b)(12).

³⁴ An “Imbalance Only Order” or “IO Order” is an Order entered with a price that may be executed only in the Nasdaq Closing Cross and only against MOC Orders or LOC Orders. IO Orders may be entered between 4:00 a.m. ET until the time of execution of the Nasdaq Closing Cross. See Rule 4702(b)(13).

Direct Listing³⁵; Extended Trading Close³⁶; Midpoint Peg Post-Only³⁷; Midpoint Extended Life Order (“M-ELO”)³⁸; and Midpoint Extended Life Order Plus Continuous Book (“M-ELO+CB Order”).³⁹

As proposed, orders for the Night Session may be entered into the System (or previously entered orders cancelled or modified) from 9:00 PM ET until 4:00 AM ET in accordance with the hours of operation for the Night Session.⁴⁰

³⁵ A “Company Direct Listing Order” or “CDL Order” is a “market order” entered without a price that may be executed only in the Nasdaq Halt Cross for a Direct Listing with a Capital Raise (as defined in Listing Rule IM-5315-2). See Rule 4702(b)(16). The Exchange proposes to amend Rule 4702(b)(16)(A) to provide that CDL Orders are not eligible to participate in the Night Session, and, further, that CDL Orders designated for the Night Session will be rejected. See proposed Rule 4702(b)(16)(A).

³⁶ An “Extended Trading Close” or “ETC” Order is an Order Type applicable to Nasdaq-listed securities that may be executed only during the Extended Trading Close and only at the Nasdaq Official Closing Price, as determined by the Nasdaq Closing Cross. See Rule 4702(b)(17). The Exchange proposes to amend Rule 4702(b)(17) to provide that ETC Orders are not eligible to participate in the Night Session, and that ETC Orders designated for the Night Session will be rejected. See proposed Rule 4702(b)(17)(A).

³⁷ A “Midpoint Peg Post-Only Order” (“MPPO”) is an Order Type with a Non-Display Order Attribute that is priced at the midpoint between the NBBO and that will execute upon entry only in circumstances where economically beneficial to the party entering the Order. The Midpoint Peg Post-Only Order is available during Market Hours only. See Rule 4702(b)(5).

³⁸ A “Midpoint Extended Life Order” is an Order Type with a Non-Display Order Attribute that is priced at the midpoint between the NBBO and that will not be eligible to execute until a minimum time period has passed after acceptance of the order by the System. Eligible Midpoint Extended Life Orders may only execute against other eligible Midpoint Extended Life Orders and M-ELO+CB Orders. See Rule 4702(b)(14). The Exchange proposes to amend subparagraph (A) of Rule 4702(b)(14) to provide that Midpoint Extended Life Orders are not eligible to participate in the Night Session, and that Midpoint Extended Life Orders designated for the Night Session will be rejected. See proposed Rule 4702(b)(14)(A).

³⁹ A “Midpoint Extended Life Order Plus Continuous Book” or “M-ELO+CB” is an Order Type that has all of the characteristics and attributes of a Midpoint Extended Life Order, except that a M-ELO+CB that satisfies a specified holding period is eligible to execute (at the midpoint of the NBBO) against other eligible M-ELO+CBs, eligible Midpoint Extended Life Orders, and as described in the rule, Non-Displayed Orders with Midpoint Pegging resting on the Exchange’s Continuous Book. See Rule 4702(b)(15). The Exchange proposes to amend subparagraph (A) of Rule 4702(b)(15) to provide that M-ELO+CB orders are not eligible to participate in the Night Session, and that M-ELO+CB orders designated for the Night Session will be rejected. See proposed Rule 4702(b)(15)(A).

⁴⁰ To effect this change, the Exchange proposes to provide in Rule 4756(a)(3) that orders for the Night Session may be entered into the System (or previously entered Orders cancelled or modified) from 9 p.m. until 4:00 a.m. ET in accordance with the hours of operation for the Night Session. See proposed Rule 4756(b). The Exchange further proposes to provide in Rule 4120(a)(10)(C) that the Exchange will begin accepting orders for the Night Session at 9:00 PM ET

Similarly, the following Order Attributes will not be available during the Night Session: Primary Pegging⁴¹; Market Pegging⁴²; Midpoint Pegging⁴³; and Discretion (Pegging)⁴⁴. With respect to Time-in-Force⁴⁵ order attributes, orders entered during the Night Session that are designated to deactivate after 4:00 AM ET will deactivate at the conclusion of the Night Session at 4:00 AM ET.⁴⁶

in accordance with Rule 4756 and will trade thereafter through the Night Session. Similarly, and with respect to entry of quotes by Nasdaq Market Makers, the Exchange proposes to provide that during the Night Session, Nasdaq Market Makers and Nasdaq ECNs can enter quotes into the System from 9:00 PM ET to 4:00 AM ET. See proposed Rules 4756(a)(10)(C), 4756(b).

⁴¹ See Rule 4703(d). Pegging is an Order Attribute that allows an Order to have its price automatically set with reference to the National Best Bid and Offer; provided, however, that if Nasdaq is the sole market center at the Best Bid or Best Offer (as applicable), then the price of any Displayed Order with Primary Pegging will be set with reference to the highest bid or lowest offer disseminated by a market center other than Nasdaq. Pegging is available only during Market Hours. Nasdaq offers three varieties of Pegging: Primary Pegging, Market Pegging, and Midpoint Pegging. Primary Pegging means Pegging with reference to the Inside Quotation on the same side of the market. See id.

⁴² Market Pegging means Pegging with reference to the Inside Quotation on the opposite side of the market. Pegging is available only during Market Hours. See Rule 4703(d).

⁴³ See Rule 4703(d). Midpoint Pegging means Pegging with reference to the midpoint between the Inside Bid and the Inside Offer. Pegging is available only during Market Hours. See id.

⁴⁴ Discretion is an Order Attribute under which an Order has a non-displayed discretionary price range within which the entering Participant is willing to trade; such an Order may be referred to as a “Discretionary Order.” The Discretion Order Attribute may be combined with the Pegging Order Attribute, in which case either the price of the Order or the discretionary price range or both may be pegged in the ways described in Rule 4702(d) with respect to the Pegging Order Attribute. As discussed above, however, and consistent with its proposal with respect to the Pegging order attribute during the Night Session, the Exchange proposes to provide that during the Night Session, the Discretion attribute may not be combined with the Pegging Order attribute. See proposed Rule 4703(g) (providing that the Discretion order attribute is available during the Night Session, provided however, that during the Night Session, the Discretion order attribute may not be combined with the Pegging Order attribute, and further, that orders designated for the Night Session that combine the Discretion attribute with a Pegging attribute will be rejected).

⁴⁵ The “Time-in-Force” assigned to an Order means the period of time that the Nasdaq Market Center will hold the Order for potential execution. Participants specify an Order's Time-in-Force by designating a time at which the Order will become active and a time at which the Order will cease to be active. See Rule 4702.

⁴⁶ To effect this change, the Exchange proposes to provide in Rule 4703(a) that available times for deactivating orders include a specified time identified by the Participant; provided, however, that an Order Specifying an expire time after 4:00 AM ET will expire at the conclusion of the Night Session at 4:00 AM ET. See proposed Rule 4703(a). The Exchange further proposes to provide that an order that is designated to deactivate at 8:00 p.m. may be referred to as having a Time in Force of “System Hours Day” or “SDAY”; provided, however, that an Order designated for participation in the Night Session having a Time in Force of “System Hours Day” or “SDAY” will deactivate at 4:00 AM ET. See proposed Rule 4703(a)(2). The Exchange believes these proposed

However, the Night session will differ from Post-Market Hours and Pre-Market Hours trading in several respects. Below is a summary of the key functionality of the Night session as it will be available at its launch date. Note that the Exchange plans to introduce additional functionality to the Night Session in the future, some of which is also described below.

- Connectivity: The Exchange will require market participants to use ports specifically designated for use during the Night session.⁴⁷ Market participants that have already purchased ports from the Exchange may continue using them to trade during the Day Session, but if participants wish to trade during the Night session, then they will need to use a separate Night Session port to do so.⁴⁸ The Exchange proposes this requirement to use Night session ports because the Exchange will run a distinct instance of its Trading System during the Night session, and ports used for Day session will only be capable of connecting to the instance of the Trading System used to operate the Day session. Day ports will be operational from 4:00AM ET through 8:00 PM ET,

changes would enhance transparency with respect to the operation of the Exchange rules consistent with the protection of investors and the public interest because the Exchange is proposing to cancel all orders outstanding in the system at the conclusion of the Night Session, and, therefore, orders with a time in force extending beyond the hours of operation for the Night Session would be cancelled.

⁴⁷ See proposed Rule 4702(a) (providing that, to trade in the Night Session, market participants will be required to use ports specifically designated for use during the Night Session, and that ports used for the Day Session will not connect market participants to trading systems for the Night Session). The Exchange further proposes to provide that the following protocols will be available during the Night Session: OUCH 5, Core FIX, and FIX. See proposed Rule 4702(a).

⁴⁸ See id.

and Night ports will be operational from 9:00 PM ET through the following day at 4:00 AM ET.⁴⁹

- Times-in-Force: As noted above, the Exchange will employ the Time-in-Force Order Attribute during the Night session as it does now during the Day session, with two changes designed to reflect the Exchange’s proposed hours of operations. First, the Exchange proposes to (1) amend Rule Equity 1, Section 1(a)(9) to update the definition of the term “System Hours”—which is currently defined as the hours of 4:00 AM ET through 8:00 PM ET—to reflect the Exchange’s proposed hours of operation,⁵⁰ and (2) amend Rule 4703(a) to provide that when an Order may be deactivated at the end of “System Hours,” the term “System Hours” refers to the period from 9:00 PM ET to the following calendar day at 8:00 PM ET, in accordance with the definition of “System Hours” in Rule Equity 1, Section 1(a)(9).⁵¹

⁴⁹ To effect this change, the Exchange proposes to provide that Night Session ports will be operational from 9:00 p.m. ET through the following day at 4:00 a.m. ET in accordance with the definition of Night Session and that Day ports will be operational from 4:00 a.m. ET through 8:00 p.m. ET on Business Days. See proposed Rule 4702(a).

⁵⁰ See proposed Rule 1, Equity 1, Section 1(a)(9). As proposed, the term “System Hours” would mean the 23-hour time period beginning at 9:00 p.m. ET on one calendar day and ending at 8:00 p.m. ET (or such earlier time as may be designated by Nasdaq on a day when Nasdaq closes early) on the next calendar day for the period from Sunday at 9:00 p.m. ET through Friday at 8:00 p.m. ET in accordance with definitions of Day Session (including the Pre-Market Hours, Regular Market Hours, Post-Market Hours) and Night Session. The Exchange further proposes to modify Equity 1, Section 1(a)(9) to delete the definitions of “Market Hours,” “Pre-Market Hours” and “Post-Market Hours,” as the Exchange is proposing to define each such term separately elsewhere in Rule Equity 1, Section 1.

⁵¹ See proposed Rule 4703(a). As proposed, the Exchange would provide that the available times for deactivating an order include, among others, at the end of System Hours, in accordance with the definition of “System Hours” in Rule Equity 1, Section 1(a)(9). See proposed Rule 4703(a).

- Trading Halts: The Exchange will address trading halts, including for certain corporate actions, in either an amendment to this rule filing or in a discrete rule filing prior to the implementation of 23/5 trading on Nasdaq.⁵²
- Volatility Moderation Mechanisms: As of the date of submission of this rule filing, Nasdaq has yet to determine which, if any, market volatility moderation mechanisms it will employ during the Night Session. Today, during the Post-Market trading session, the Exchange does not employ industry-wide mechanisms that apply only during Regular Market trading hours, including Limit-Up-Limit Down and Market-wide Circuit Breakers.⁵³ Nevertheless, the Exchange and its peers, through the UTP Plan Operating Committee, are discussing whether to employ these mechanisms or a similar industry-wide protection mechanism. Accordingly, Nasdaq intends to address this topic either in an amendment to this rule filing, or in a separate rule filing.

⁵² Consistent with the approved rules of another national securities exchange, and specifically, 24X Rule 11.15(c)(5), the Exchange proposes to provide in Rule 4120(a)(10)(D) that during the Night Session, if the primary listing market determines to halt trading, or delay commencement of trading, in one of its listed securities in accordance with such primary listing market's rules (e.g., with regard to material corporate actions with respect to a particular security (i.e., corporate actions that may affect a stock price, stock additions and subtractions, and similar actions) or material news announcements), the Exchange will halt trading, or delay the commencement of, trading (as applicable), in such security until trading resumes on the primary listing market for the security. Further, the Exchange proposes to provide that if trading in a security is halted by the primary listing market before the commencement of the Night Session and continuing into the Night Session, or during the Night Session, the Exchange will halt trading in the security until trading resumes on the primary listing market for the security. See proposed Rule 4120(a)(10)(D); 24X Rule 11.15(c)(5). The Exchange also proposes a technical, non-substantive conforming change to renumber subparagraphs (10)-(15) of current Rule 4120(a) as subparagraphs (11)-(16).

⁵³ Nasdaq will implement such industry-wide protections if the industry or the Commission determines to add them to overnight trading sessions, pursuant to industry plans or otherwise.

- Surveillance: During the Night session, the Exchange will have a dedicated team to conduct real-time surveillance, process Clearly Erroneous⁵⁴ filings, and as needed, implement trading halts. Real-time surveillance for the Night session will be similar to real-time surveillance in other sessions today. Real-time surveillance includes monitoring for unusual activity, the detection of potential manipulation and other market abuse, as well as coordination with Nasdaq departments and member firm representatives as necessary to monitor and or resolve unexpected matters. The Exchange will utilize the Nasdaq Market Surveillance system to electronically monitor and alert trading anomalies. The Clearly Erroneous process and trading halts for listed securities will be handled by the Exchange surveillance staff, similar to all other sessions, and in accordance with the rules applicable to Clearly Erroneous filings and Trading Halts.
- Market Data: The Exchange proposes to disseminate the same market data information during the Night session as are available during the Day session.

⁵⁴ To effect this change, the Exchange proposes to amend Equity 1, Rule 11890 (“Clearly Erroneous Transactions”) to incorporate the Night Session as appropriate throughout the various provisions in the rule. Specifically, the Exchange proposes to insert references to the Night Session in the following provisions: romanette (iii) of Rule 11890(a)(2)(A) (with respect to filing time periods); subparagraph (2) of Rule 11890(C), including the table under romanette (i) (with respect to eligibility for review) and romanettes (ii) and (iii) thereunder; subparagraph (3) of Rule 11890(a)(3)(D)(3) (with respect to trades on the Nasdaq Bond Exchange); and romanette (i) of Rule 11890(b) (with respect to procedures for reviewing transactions on Nasdaq’s own motion). The Exchange believes this proposed change is appropriate because the use of clearly erroneous executions rules to address volatility during the Night Session is consistent with (1) Nasdaq’s regulatory framework for addressing volatility during its extended hours sessions when other regulatory protections are not in effect, (2) the regulatory framework applied to other national securities exchanges, and (3) the approved rules of 24X. *See e.g.*, CboeBZX Rule 11.17; Nasdaq Equity 11, Rule 11890; NYSE Arca Rule 7.10-E; 24X Rule 11.14.

- Risk Disclosures: In accordance with Equity 2, Section 20, the Exchange proposes to supplement its current customer disclosures concerning risks associated with trading during Pre-Market Hours and Post-Market Hours to add six additional potential risks associated with trading during the Night Session based on the approved rules of 24X and NYSE Arca.⁵⁵ As proposed, the Exchange would require that its members make certain disclosures to investors concerning risks associated with trading during Pre-Market Hours, Post-Market and the Night Session.⁵⁶ These proposed disclosures will enhance transparency by warning customers that trading during these extended hours involves material trading risks, as outlined in the proposed rules.⁵⁷
- Equity Data Plans: Consistent with the approved rules of 24X and NYSE Arca,⁵⁸ the Exchange proposes to provide that the Exchange would not commence operation of the Night Session unless the Equity Data Plans (as proposed to be defined in Rule Equity 1, Section 1(a)(16))⁵⁹ have established

⁵⁵ See, e.g., 24X Approval Order, supra note 3; 24X Rule 3.21 (“Customer Disclosures”); NYSE Arca Approval Order, supra note 3; NYSE Arca Rule 7.34-E(T) (“Trading Sessions”).

⁵⁶ See proposed Rule Equity 2, Section 20 (8)(A)-(F) (providing, in part, that trading during the Night Session may present risks, including (1) the risk of trading during hours in which the primary listing market may not be open, (2) the risk of trading during hours in which there may be limited or different regulatory protections, (3) the risk of having limited trading alternatives, (4) risks related to continuous trading, (5) risks of trading during hours in which financial market infrastructure companies may be closed), and (6) unforeseen risks beyond those enumerated in the proposed rules).

⁵⁷ See proposed Rule Equity 2, Section 20.

⁵⁸ See 24X Rule 1.5(c); NYSE Arca Rule 7.34-E.

⁵⁹ As proposed, the term “Equity Data Plans” means the effective national market system plans that govern the collection, consolidation, processing and dissemination of equity market data for NMS stocks and oversee the exclusive securities information processors (“SIPs”), including (1) the Consolidated Tape Association Plan (“CTA Plan”), (2) the Consolidated Quotation Plan (“CQ Plan”), (3) the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq- Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis (“UTP Plan”), (4) the CT

a mechanism to collect, consolidate, process and disseminate quotation and transaction information at all times during Extended Trading Hours that is equivalent to the mechanism established for Regular Market Hours, and (2) have provided the Exchange with notification that they are prepared to collect, consolidate, process and disseminate quotation and transaction information to accommodate the Night Session.⁶⁰

Transition from Night to Day Session

The following describes proposed procedures for the Exchange to transition from a Night session to a Day session at 4:00AM ET each weekday. At the conclusion of the Night Session at 4:00 AM ET, all orders outstanding on the Nasdaq Book as of 4:00 AM ET will be canceled.⁶¹ The Exchange currently begins accepting new orders for the Pre-Market Session at 4:00 AM ET,⁶² and, as proposed, this would remain unchanged.

Plan established by the Limited Liability Company Agreement of CT Plan LLC, and (5) any successor thereto to the named Plans. See proposed Rule Equity 1, Section 1(a)(16).

⁶⁰ Also consistent with the approved rules of 24X and NYSE Arca, the Exchange further proposes to provide that, prior to commencing operation during the Night Session, the Exchange will file a proposed rule change pursuant to Section 19(b) of the Exchange Act and the rules thereunder to amend its rules confirming that the Exchange is able to comply with its obligations under the Exchange Act and the rules thereunder during the Night Session and that such Equity Data Plans are prepared to collect, consolidate, process and disseminate quotation and transaction information at all times during the Night Session (“Night Session Proposed Rule Change”). If the Night Session Proposed Rule Change is not filed within 18 months of the Commission’s approval of this proposed rule change, the Exchange will promptly file a proposed rule change to remove the rules that apply to the Night Session. See, e.g., proposed Rule Equity 1, Section 1(a)(19); 24X Rule 1.5(c); NYSE Arca Rule 7.34-E.

⁶¹ To effect this change, the Exchange proposes to provide in proposed Rule 4120(a)(10)(C) that at the conclusion of the Night Session at 4:00 AM ET, all orders outstanding in the Nasdaq Book as of 4:00 AM ET shall be cancelled. See proposed Rule 4120(a)(10)(C).

⁶² See Rule 4752(b).

Weekday 8:00-9:00 PM ET Trading Pause

As proposed, upon conclusion of the Day session on each weekday, at 8:00 PM ET, trading on the Exchange will pause for one hour.⁶³ It will resume with commencement of the Night session at 9:00 PM ET.⁶⁴ All orders outstanding on the Nasdaq Book as of 8:00 PM ET will be canceled.⁶⁵ The Exchange will begin accepting new orders at 9:00 PM, Sunday through Thursday and will trade thereafter throughout the Night Session.⁶⁶ Trades occurring at or after the commencement of a Night Session and before midnight will be assigned a trade date of the following day.⁶⁷ At the conclusion of

⁶³ See proposed Rule 4120(a)(10). To effect this change, the Exchange proposes to provide in proposed Rule 4120(a)(10) that the Exchange shall halt trading at the conclusion of the Day Session at 8:00 p.m. ET and resume trading with the commencement of the Night Session at 9:00 p.m. ET, on Monday, Tuesday, Wednesday and Thursday, in accordance with Rule Equity 1, Sections 1(a)(18)-(19) of these rules. As further proposed, weekday trading would commence with a Night Session beginning at 9:00 p.m. ET, on Sunday. See proposed Rule 4120(a)(10).

⁶⁴ See proposed Rule 4120(a)10. Consistent with the approved rules of another national security exchange, and specifically 24X Rule 11.15(c)(4), the Exchange proposes to provide that the Exchange may pause trading during the Night Session at such other times as the Exchange in the exercise of its regulatory functions may determine is appropriate, and that the Exchange will announce in advance when such trading will pause and when it will resume pursuant to this paragraph. See, e.g., proposed Rule 4120(a)(10)(A); 24X Rule 11.15(c)(4).

⁶⁵ See proposed Rule 4120(a)(10)(B). To effect this change, the Exchange proposes to provide in proposed Rule 4120(a)(10)(B) that orders outstanding on the Nasdaq Book as of 8:00 PM ET shall be cancelled. See id.

⁶⁶ See proposed Rule 4120(a)(10)(C). To effect this change, the Exchange proposes to provide that the Exchange will begin accepting orders for the Night Session at 9:00 PM ET in accordance with Rule 4756 and will trade thereafter throughout the Night Session. As further proposed, trades occurring at or after the commencement of the Night Session and before midnight will be assigned a trade date of the following day. See id. As discussed above, the Exchange is also proposing to provide in Rule 4756(a)(3) that Orders for the Night Session may be entered into the System (or previously entered Orders cancelled or modified) from 9 p.m. until 4:00 a.m. ET in accordance with the hours of operation for the Night Session. See proposed Rule 4756(a)(3).

⁶⁷ See proposed Rule 4120(a)(10)(C).

the Night Session at 4:00 AM ET, all orders outstanding in the Nasdaq Book as of 4:00 AM ET will be cancelled.⁶⁸

The proposed daily pause in trading will help delineate when a trade date session/value date rolls from T to T+1. A trade submitted to the Exchange prior to 8:00 PM ET on a given day will have a trade date of that same day. However, a trade submitted to the Exchange at or after 9:00 PM ET on a given weekday will have a trade date of the following calendar day.⁶⁹ For example, a trade submitted at 9:30 PM ET on Monday, October 10th will be assigned a trade date of October 11th. Assuming that clearing and settlement continues to occur on a T+1 basis, then in this example, this trade would clear and settle by Wednesday, October 12th.

The trading pause will mitigate systemic risk to the markets and promote resiliency by providing time for both the Exchange and market participants to conduct maintenance and testing. During the pause, for example, the Exchange will shift its operations to a second instance of its System that will run the Night session.

Finally, the trading pause will allow the Exchange to process, or to begin processing any corporate actions that may be pending for the next trading day, including stock splits, dividends, name changes, and distributions. The Exchange notes that certain corporate actions will likely require halts beyond the trading pause. For example, dividends must be paid on particular calendar days, which will not, going forward, always coincide with the commencement of new trading days on Nasdaq at 9:00PM ET.

⁶⁸ See proposed Rule 4120(a)(10)(C) (proposing to provide, in part, that at the conclusion of the Night Session at 4:00 AM ET, all orders outstanding in the Nasdaq Book as of 4:00 AM ET shall be cancelled).

⁶⁹ See proposed Rule 4120(a)(10)(C).

Accordingly, Nasdaq will likely need to halt trading in such securities until sometime during the next calendar date. As with market protections and halts, the processing of corporate actions has industry-wide implications and Nasdaq intends to coordinate with other exchanges to establish a harmonized approach. As such, Nasdaq intends to address its treatment of corporate actions during and after the Trading Pause in either an amendment to this rule filing or in a discrete rule filing prior to the launch of 23/5 trading on Nasdaq.

Related Proposed Rule Changes

As discussed above, the Exchange proposes to trade equity securities and ETPs on a 23/5 basis. To effect this change with respect to certain ETPs, the Exchange proposes to amend certain rules under the Nasdaq 5700 Series as follows. The Exchange proposes to provide that, in addition to the Regular Market Hours and the Pre-and Post-Market Hours, as it does today, Nasdaq may designate the following for trading during the Night Session: Exchange Traded Fund Shares,⁷⁰ Portfolio Depositary Receipts listed pursuant to Rules 5705(a)(4) and (5),⁷¹ and Index Fund Shares.⁷² The Exchange believes this

⁷⁰ See proposed Rule 5704(b)(1)(C). To effect this change, the Exchange proposes to insert the words “or Night Session, as such terms are defined in Rule 4120” immediately following the description of the Pre- and Post-Market Hours sessions in Rule 5704(b)(1)(C). The Exchange also proposes to make related conforming changes to remove obsolete language describing the current trading sessions and substitute therefor for the proposed terms for each such trading session. See proposed Rule 5704(b)(1)(C).

⁷¹ See proposed Rule 5705(a)(7). To effect this change, the Exchange proposes to insert the words “or Night Session, as such terms are defined in Rule 4120” immediately following the description of the Pre- and Post-Market Hours sessions in Rule 5705(a)(7) and make related conforming changes to remove obsolete language describing the current trading sessions and substitute therefor for the proposed terms for each such trading session. See proposed Rule 5705(a)(7).

⁷² See proposed Rule 5705(b)(7). To effect this change, the Exchange proposes to insert the words “or Night Session, as such terms are defined in Rule 4120” immediately following the description of the Pre- and Post-Market Hours sessions in Rule 5705(b)(7) and make related conforming changes to remove obsolete language describing the current trading sessions and substitute therefor for the proposed terms for each such trading session. See proposed Rule 5705(b)(7).

proposed change would remove impediments to and perfect the mechanism of a free and open market, and in general, protect investors and the public interest because the Exchange has rules in place to facilitate the trading of such ETPs during all trading sessions and may designate such ETPs for trading during all extended hours sessions, of which the proposed Night Session would constitute part.

Impact on Exchange Fees

The Exchange will address any impact of the rule proposal on its schedule of credits and fees, and its incentive programs, in a subsequent rule filing.

Clarifying, Conforming and Other Non-Substantive Changes

The Exchange proposes to amend current Equity 1, Section 1 to add three clarifying definitions. First, the Exchange proposes to define “Equity Data Plans” to mean the effective national market system plans that govern the collection, consolidation, processing and dissemination of equity market data for NMS stocks and oversee the exclusive securities information processors (“SIPs”), including (1) the Consolidated Tape Association Plan (“CTA Plan”), (2) the Consolidated Quotation Plan (“CQ Plan”), (3) the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq- Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis (“UTP Plan”), (4) the CT Plan established by the Limited Liability Company Agreement of CT Plan LLC, and (5) any successor thereto to the named Plans.⁷³ Second, the Exchange proposes to define “Business Day” to mean any Sunday from 9:00 PM ET through Monday, Tuesday, Wednesday, Thursday or Friday other than any of the following U.S. holidays if they are

⁷³ See proposed Rule Equity 1, Section 1(a)(16).

celebrated on a Monday, Tuesday, Wednesday, Thursday or Friday: New Year's Day, Martin Luther King Jr. Day, Presidents' Day, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day Eastern Time, or such other U.S. holiday(s) as published by the Exchange from time to time.⁷⁴ Finally, the Exchange proposes to define “Extended Hours” to mean that, unless otherwise specified in Exchange rules, the term means the hours outside of Regular Market Hours and specifically comprising the hours during which Pre-Market Hours, Post-Market Hours, and Night Session are in operation.⁷⁵

The Exchange also proposes the following conforming, non-substantive changes.

- The Exchange proposes to amend the following rules to replace references to “Market Hours,” “regular market hours,” and similar references used to designate the trading session operating from 9:30 AM ET through 4:00 PM ET with the proposed term “Regular Market Hours,” and make related conforming changes: Rule Equity 1, Section 1(a)(9); Rule Equity 2, Section 20; and Rules 4120, 4702; 4703; 4752; 4753; 4754; IM-5250-1, 5704, 5705, 5710, 5711, 5713, 5745, 5760, 5810(b), 5840, and 11890.
- The Exchange proposes to amend the following rules to replace references to terms such as “Pre-Market Session,” “Early Market Hours,” and similar terms used to designate the pre-market trading session operating from 4:00 AM ET through 9:30 AM ET with the defined term “Pre-Market Hours” and make related conforming changes: Rule Equity 2, Section 20, and Rules 4120, 4702, 4703, 4753, 5704, 5705, and 11890.

⁷⁴ See proposed Rule Equity 1, Section 1(a)(17).

⁷⁵ See proposed Equity 1, Section 1(a)(23).

- The Exchange proposes to amend the following rules to replace references to terms such as “Post-Market Session,” “Extended Market Hours,” and similar terms used to designate the trading session operating from 4:00 PM ET through 8:00 PM ET, with the term “Post-Market Hours” and make related conforming changes: Rule Equity 2, Section 20, and Rules 4120, 4702, 4703, 4753, 5704, 5705, and 11890.
- The Exchange proposes to amend the following rules to replace references to “extended hours” with the term “Extended Hours,” as defined in Rule 1, Equity Section 1(a)(23): Rule Equity 2, Section 20, and Rule 4703.
- The Exchange would also make certain conforming changes as follows. First, the Exchange proposes to delete the obsolete reference to “4:00 a.m. to 8 p.m. Eastern Time on each business day” in Rule Equity 2, Section 8, and substitute therefor the term “System Hours,”⁷⁶ so as to update and align this rule with the proposed hours of operation for the Exchange. The Exchange proposes to make non-substantive changes to Rule 4120 as follows. The Exchange proposes to amend subparagraph (B) of Rule 4120(b)(4) to (1) to conform the current terms “Pre-Market Session,” “Post-Market Session,” and “Market Hours” to the proposed terms “Pre-Market Hours,” “Post-Market Hours,” and “Regular Market Hours,” as proposed Rule Equity 1, Sections 1(a)(20)-(22), respectively.⁷⁷ The Exchange further proposes to add in new subparagraphs (F)-(G) of Rule 4120(b)(4) that the terms “Day Session” and “Night Session” shall have the same meaning as defined in Rule Equity 1, Sections 1(a)(18) and (19), respectively. Consistent

⁷⁶ See, e.g., proposed Rule Equity 2, Section 8; proposed Rule Equity 1, Section 1(a)(9) (defining the term “System Hours”). To effect this change, the Exchange proposes to delete, from Rule Equity 2, Section 8, the words “from 4:00 a.m. to 8:00 p.m. Eastern. Time on each business day” and substitute therefor the words “during System Hours.” See proposed Rule Equity 2, Section 8.

⁷⁷ See proposed Rule 4120(b)(4)(B)-(D).

with how the Exchange operates during the Post-Market Hours, the Exchange also proposes to provide in Rule 4120(a)(3)(A), that if an applicable Required Value⁷⁸ continues not to be calculated or widely disseminated after the close of the Regular Market Hours, Nasdaq may trade a Derivative Securities Product⁷⁹ during the Night Session only if the listing market traded the Derivative Securities Product until the close of its regular trading session without a halt.⁸⁰

- Finally, the Exchange proposes a technical, non-substantive conforming change to renumber subparagraphs (10)-(15) of Rule 4120(a) as subparagraphs (11)-(16).

⁷⁸ “Required Value” means (i) the value of any index or any commodity-related value underlying a Derivative Securities Product, (ii) the indicative optimized portfolio value, intraday indicative value, or other comparable estimate of the value of a share of a Derivative Securities Product updated regularly during the trading day, (iii) a net asset value in the case of a Derivative Securities Product for which a net asset value is disseminated, and (iv) a Disclosed Portfolio in the case of a Derivative Securities Product that is a series of Managed Fund Shares, as defined in Rule 5735, or Managed Trust Securities, as defined in Rule 5711(j), and a Composition File in the case of a Derivative Securities Product that is a series of NextShares, as defined in Rule 5745. See Rule 4120(b)(4)(E).

⁷⁹ See proposed Rule 4120(b)(3)(A). “Derivative Securities Product” means a series of Exchange Traded Fund Shares, Portfolio Depository Receipts, Index Fund Shares, Managed Fund Shares, NextShares, Trust Issued Receipts, or Proxy Portfolio Shares (as defined in Rules 5704, 5705, 5735, 5745, 5720, and 5750 respectively), a series of Commodity-Related Securities (as defined in Equity 10, Section 8), securities representing interests in unit investment trusts or investment companies, Index- Linked Exchangeable Notes, Equity Gold Shares, Trust Certificates, Commodity-Based Trust Shares, Currency Trust Shares, Commodity Index Trust Shares, Commodity Futures Trust Shares, Partnership Units, Trust Units, Managed Trust Securities, or Currency Warrants (as defined in Rule 5711(a) - (k)), or any other UTP Derivative Security (as defined in Rule 5740). See Rule 4120(b)(4)(A).

⁸⁰ To effect this change, the Exchange proposes to amend Rule 4120(b)(3)(A) to insert, immediately after “Post-Market Session,” the words “and during the Night Session.” The Exchange also proposes a non-substantive to conform the term “Post Market Session” to the proposed term “Post-Market Hours” by deleting the word “Session” and substituting therefor the word “Hours.” As described below, the Exchange is proposing non-substantive changes to conform terms “Pre-Market Session,” Post-Market Session, and “Market Hours” in each instance such terms are used within Rule 4120 with the proposed terms “Pre-Market Hours,” “Post-Market Hours,” and “Regular Market Hours,” respectively. The Exchange believes that establishing uniform names for its trading sessions, as proposed, is appropriate because consolidating the varying terms for each such session into one defined and uniform term for each such session would facilitate the understanding of and compliance with the Exchange’s rules. See, e.g., proposed Rule 4120; proposed Rule Equity 1, Section 1(a)(20)-(22).

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁸¹ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁸² 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.

It is consistent with the Act to permit members of the Exchange to trade securities on an extended basis, for 23 hours per day, 5 days per week. As explained above, investors increasingly trade securities, along with digital assets, on a global basis. Investors located outside of the United States in places like Asia presently cannot trade on Nasdaq during what constitutes their regular trading hours, as the Exchange is closed during that period. Even among U.S.-based investors, demand is growing for exchanges to expand their market hours to accommodate overnight trading. Accordingly, investors seeking access to U.S. equities and ETP markets during overnight and weekend hours must resort to trading on a handful of ATs that offer round-the-clock trading. Nasdaq's proposal will enable Nasdaq to serve these investors and to compete with ATs, foreign securities markets, and other markets for their order flow. It will also enable the Exchange to compete with new and incumbent exchanges which the SEC has approved to trade overnight in a similar manner.

The Exchange's proposal to operate on an extended hours basis is largely based on Nasdaq's longstanding rules for extended hours trading, as well as the approved rules

⁸¹ 15 U.S.C. 78f(b).

⁸² 15 U.S.C. 78f(b)(5).

of other national securities exchanges also seeking to operate on a 23/5 basis. As proposed, these rules are designed to address potential differences in trading compared to regular trading hours, as well as to enhance transparency and investor protections. For example, the Exchange is proposing to supplement the existing required customer disclosures to require the disclosure of six additional potential risks associated with trading during extended hours, including the proposed Night Session. Such disclosures notify investors of potential risks and allow them to evaluate whether to trade during extended hours. The Exchange would also implement measures to safeguard against trade executions that are clearly erroneous while it works to build industry-wide consensus on proposals for establishing uniform after-hours volatility moderators. Nasdaq would also address corporate actions, conduct real-time surveillance, and implement trading halts consistent with its proposed rules. Finally, trading overnight will be transparent because Nasdaq will not commence operations of the proposed extended hours until the Equity Data Plans are prepared to collect, consolidate, process and disseminate quotation and transaction information at all times during the Night Session. The proposed rules will also foster competition by introducing another trading venue during the overnight hours, as at least two other exchanges have obtained Commission approval for operating on an extended hours basis.

In addition to increasing investor access to the Exchange, the proposal also stands to promote capital formation and facilitate portfolio management.

Finally, the Exchange believes that the proposed conforming and other non-substantive changes would remove impediments to and perfect the mechanism of a free and open market by reducing potential investor and market participant confusion thereby

ensuring that investors and market participants can more easily navigate, understand and comply with the Exchange's rules.

4. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange's proposal to expand its trading hours to 23 hours a day, 5 days per week are neither intended to nor will they adversely impact competition. If anything, the Exchange expects that the proposed changes will promote competition by providing for the Nasdaq Stock Market to accommodate the growing demand to trade equity securities during overnight hours when the market is presently closed. Unaffiliated exchanges remain free to compete by offering extended hours trading of similar duration.

The Exchange operates in a highly competitive market in which market Participants can readily choose between competing venues if they deem participation in the Exchange's market to no longer be desirable or if they do not wish to trade during the new Night session. In such an environment, the Exchange must carefully consider the impact that any change it proposes may have on market participants, understanding that it will likely lose participants to the extent a change is viewed as unfavorable by them. Because competitors are free to modify the functionality and structure of their markets, including by availing themselves of the same capabilities that are being developed to trade securities and ETPs on a 23/5 basis, the Exchange believes that the degree to which its proposal imposes any burden on competition is limited. Last, to the extent the proposed change is successful in attracting additional market participants or additional activity by existing participants, the Exchange also believes that the proposed change will

promote competition among trading venues by making the Exchange a more attractive trading venue.

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. 34- ; File No. SR-NASDAQ-2025-109]****Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing of Proposed Rule Change to Extend the Exchange’s U.S. Equities Trading Hours to 23 Hours a Day, Five Days a Week**

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 December 29, 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 Exchange’s Rulebook to provide for the Exchange to trade equity securities and exchange traded products 23 hours per day, five days per week.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

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

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

1. Purpose

The purpose of the proposed rule change is to amend the Exchange’s Rulebook to provide for the Exchange to trade equity securities and exchange traded products (“ETPs”) on a 23 hours per day, five days per week basis (“23/5”).

Background and Overview

The history of the U.S. equities markets is one marked by successive waves of change and technological innovation. Among other things, these changes and innovations included the automation of trading and the introductions of decimalization, algorithmic trading, and colocation. When these innovations arose, they spurred equity market structure to evolve to accommodate them. The latest change to impact the markets is rising investor interest in trading U.S. equities during overnight hours, especially among investors located outside of the United States.³ To align Nasdaq with emerging investor interest in trading outside of traditional U.S.

³ Certain alternative trading systems (“ATS”), such as Blue Ocean, already trade securities on an overnight basis. Meanwhile, the Commission has approved several new and existing exchanges to securities on an extended overnight basis, but none has begun to do so. See Securities Exchange Act Release No. 34-102400 (Feb. 11, 2025); 90 FR 9794 (Feb. 18, 2025) (order approving NYSE Arca Inc. proposal to lengthen its trading session to 22 hours per day, 5 days per week) (“NYSE Arca Approval Order”); Securities Exchange Act. Release No. 89-235 (Nov. 27, 2024); 89 FR 97092 (order approving application

market hours, Nasdaq now proposes to extend its hours for trading equity securities and ETPs on the Exchange from 16 hours per day, 5 days per week, to 23 hours per day, 5 days per week.

Nasdaq has designed its proposal for 23/5 trading carefully. We have solicited and we continue to solicit feedback from those who stand to be impacted most by the proposal, including Nasdaq's listed companies and market participants. Nasdaq is also an active participant in ongoing industry discussions about how to address, in a coordinated manner, market protections, halts, and corporate actions. We expect to supplement and refine this proposal as we receive feedback and work through technical and policy issues.

By way of background, Nasdaq presently trades securities in three daily sessions during each weekday from Monday through Friday. First, Nasdaq operates a Pre-Market Hours session from 4:00AM to 9:30AM ET.⁴ Second, commencing at 9:30AM with the execution of the Nasdaq Opening Cross, Nasdaq conducts its Regular Market Hours trading session until 4:00PM.⁵ Third, commencing at 4:00PM with the execution of the Nasdaq Closing Cross, Nasdaq conducts a Post-Market Hours⁶ trading session until 8:00 PM.⁷ During weekdays,

of 24X National Exchange, LLC for registration as a national securities exchange and to trade 23 hours per day, 5 days per week) ("24X Approval Order").

⁴ See Rule Equity 1, Section 1(a)(9) (defining the term "Pre-Market Hours" as "the period of time beginning at 4:00 a.m. ET and ending immediately prior to the commencement of Market Hours."). As discussed below, the Exchange is proposing non-substantive changes to this rule.

⁵ See Rule Equity 1, Section 1(a)(9) (defining the term "Market Hours" as the period of time beginning at 9:30 a.m. ET and ending at 4:00 p.m. ET or such earlier time as may be designated by Nasdaq on a day when Nasdaq closes early). As discussed below, the Exchange proposes to rename this session "Regular Market Hours" and make other non-substantive conforming changes to this rule.

⁶ See Rule Equity 1, Section 1(a)(9) (defining the term "Post-Market Hours" as the period of time beginning immediately after the end of Market Hours and ending at 8:00 p.m. ET). As discussed below, the Exchange is proposing non-substantive changes to this rule.

⁷ The Exchange uses different terms to describe each of its trading sessions. For example, to refer to its pre-market hours session, the Exchange uses varying terms, such as "Pre-Market," "Early Market Hours," or "Early Market." And to refer to its post-market hours session, the Exchange uses varying terms, such as "Post-Market," "Extended Hours," and "Extended Market Hours." As part of this filing, the Exchange proposes to harmonize disparate and inconsistent references to these concepts to avoid confusion. Throughout the Rulebook, as amended, the Exchange proposes to define the terms "Pre-Market Hours" and "Post-Market Hours" exclusively to refer to those specific trading periods. In addition, the Exchange

between the hours of 8:00 PM-4:00 AM ET, the Exchange is closed to trading as it is during all weekend hours.

During its current Pre-Market and Post-Market trading sessions, Nasdaq offers more limited trading functionality than it does during the Regular Market Hours trading session and trading during that period is subject to less stringent regulation. For example, outside of “regular trading hours,”⁸ most aspects of the SEC’s Regulation National Market System (“Reg. NMS”)⁹ do not apply, including the prohibition against trade-throughs.¹⁰ Meanwhile, the Exchange does not offer certain order types during these trading sessions, such as pegged orders. Moreover, during extended hours trading sessions, liquidity tends to be lower than it is during regular trading hours. Stock prices, which are not linked to an NBBO during extended hours trading, may differ from market to market, and spreads may be wider. Additionally, stocks often experience more volatile trading activity during these sessions. Accordingly, to the extent that markets like Nasdaq allow trading to occur in extended hours trading sessions, FINRA requires brokers that participate in these sessions to affirmatively disclose to investors that extended hours trading carries greater risks than trading during regular market hours.¹¹

Although trading volume in extended hours trading tends to be considerably lower than it is during regular market hours, Nasdaq has observed a growing interest in trading during overnight hours, particular among investors located in Asia and other foreign jurisdictions where

proposes to define the term “Extended Hours” to refer more generally to trading that occurs outside of Regular Market Hours. See proposed Rule 1, Equity 1, Sections 1(a)(20)-(21) and (23) (defining the terms “Pre-Market Hours,” Post-Market Hours, “ and “Extended Hours,” respectively).

⁸ See 17 CFR 242.600(b)(88) (defining the term “regular trading hours” to mean 9:30AM-4PM Eastern Time).

⁹ 17 CFR 242.600-614.

¹⁰ See 17 CFR 242.600(b)(105) (defining a trade-through, for purposes of Rule 611 of Reg. NMS, as the purchase or sale of an NMS stock “during regular trading hours”).

¹¹ See FINRA Rule 2265 (Extended Hours Trading Risk Disclosure).

business hours do not coincide, fully or otherwise, with U.S. regular market hours. For these investors, extended market hours trading sessions often provide some real-time access to Nasdaq during their business hours, but for many, Nasdaq is closed during hours when they are most apt to trade. Increasingly, these investors are turning to ATSS that offer overnight trading, such as Blue Ocean, Bruce, Interactive Brokers, and OTC Moon. They are also increasingly utilizing trading platforms that provide access to markets for digital assets, including cryptocurrencies, tokenized assets, and tokenized securities, on a 24/7 basis. Nasdaq submits its proposal to extend its trading hours to compete for order flow from these investors, as well as to position itself favorably in the future to participate in markets that trade digital assets.

Overview of Nasdaq’s Proposal for 23/5 Trading

Going forward, Nasdaq proposes to conduct trading 23 hours per day, 5 days per week. It proposes doing so in two trading sessions rather than three. First, it will conduct a “Day” trading session, which will be the same and comprise its existing Pre-Market Hours, Regular Market Hours, and Post-Market Hours trading sessions.¹² The Day Session will commence at 4:00 AM ET and end at 8:00 PM ET, and it will continue to feature both the Nasdaq Opening Cross and the Nasdaq Closing Cross. Second, Nasdaq will conduct a “Night” trading session, which will commence at 9:00PM ET and end at 4:00AM ET the next calendar day.¹³ As we explain below,

¹² See Rule Equity 1, Section 1(a)(9).

¹³ See proposed Rule Equity 1, Section 1(a)(19) (defining the term “Night Session” as “the time between 9:00 p.m. on one calendar day through 4:00 a.m. the next calendar day Sunday through Thursday provided that each such next calendar day is a Business Day.”). To enhance clarity and consistent with approved rules of other national securities exchanges, and specifically 24X and NYSE Arca, the Exchange proposes to define the term “Business Day” to mean any Sunday from 9 PM ET through Monday, and any Tuesday, Wednesday, Thursday or Friday other than any of the following U.S. holidays if they are celebrated on a Monday, Tuesday, Wednesday, Thursday or Friday: New Year's Day, Martin Luther King Jr. Day, Presidents' Day, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day Eastern Time, or such other U.S. holiday(s) as published by the Exchange from time to time). See proposed Rule Equity 1, Section 1(a)(17).

between 8:00 PM and 9:00 PM ET on each weekday, the Exchange will pause trading on its market to conduct maintenance, testing, and to process those corporate actions, such as mergers, stock splits, and dividends, that will become effective the following trading day. The pause will also allow for market participants to process and clear trades before proceeding to a new trading day. Nasdaq proposes to keep its markets closed during all weekend hours, except that the trading week will commence with a Night Session on Sunday nights at 9:00 PM ET.¹⁴ The trading week will end at the conclusion of the Day session on Friday.¹⁵

On a holiday or another day when the Exchange is closed for business, the closure will be effective as of 8:00 PM ET on the calendar day prior to the closure date, and the market will reopen at 9:00 PM ET on the closure date, unless the closure date is a Friday, in which case the market will reopen on Sunday evening at 9:00 PM ET.¹⁶ On a day when Nasdaq closes the market early, it will resume trading at 9:00 PM ET on the same calendar day, unless again, the early closure date is a Friday, in which case the Exchange will resume trading on Sunday evening at 9:00 PM ET.¹⁷

Consistent with the approved rules of other national securities exchanges that are similarly proposing to extend their trading hours overnight,¹⁸ Nasdaq proposes to launch the

¹⁴ See proposed Rule Equity 1, Section 1(a)(19) (defining the term “Night Session”).

¹⁵ See proposed Rule Equity 1, Section 1(a)(18). The Exchange proposes a non-substantive change to define the term “Day Session” in proposed Rule 1 Equity 1, Section 1(a)(18) as follows: “[t]he term “Day Session” means the time between 4:00 a.m. Eastern Time and 8:00 p.m. Eastern Time on Business Days, during which period the Pre-Market Hours, Regular Market Hours and Post-Market Hours are in operation.” The Exchange believes this non-substantive change is designed to facilitate application of the rules by combining references to the three current trading sessions into one broader day trading session for referencing purposes only thereby simplifying the conceptualization and application of the proposed rules. See *id.*

¹⁶ See proposed Rule Equity 1, Section 1(a)(19).

¹⁷ See proposed Rule Equity 1, Section 1(a)(19).

¹⁸ See 24X Approval Order, *supra* note **Error! Bookmark not defined.**, 89 FR at 97105-07 (approving application of 24X to trade overnight provided that it may not begin doing so until the Equity Data Plans have announced their preparedness to collect, consolidate, process, and disseminate quotation and

operation of its 23/5 market upon the availability of the Securities Information Processor (“SIP”) to operate during the Night session.¹⁹

To facilitate this proposal to extend Nasdaq’s trading hours, Nasdaq proposes to amend numerous rules in its Rulebook. Rather than catalogue all such proposed changes, the majority of which are non-substantive changes to reflect revised trading times, we focus below on describing only those changes that will have a material impact on the operation of the Nasdaq Stock Market.

Before we describe what Nasdaq proposes to change, we first want to make clear what will remain the same. The following aspects of Nasdaq’s trading system and procedures will not change when trading equities and ETPs on a 23/5 basis:

- Listing rules
- Membership rules
- Rules of conduct
- Market Maker obligations
- Ranking, display, priority and decrementation rules

transaction information during the overnight hours; the SEC would nullify approval of 24X rules governing overnight trading if such readiness does not occur within 18 months of the issuance of the approval order); NYSE Arca Approval Order, supra note **Error! Bookmark not defined.** See also 24X Rule 1.5(c); NYSE Arca Rule 7.34-E.

¹⁹ See proposed Rule Equity 1, Section 1(19) (defining the term “Night Session” and further providing that (1) the Exchange shall not commence operation of the Night Session unless the Equity Data Plans (1) have established a mechanism to collect, consolidate, process and disseminate quotation and transaction information at all times during the Night Session that is equivalent to the mechanism established for Exchange trading hours during Regular Market Hours, and (2) have provided the Exchange with notification that they are prepared to collect, consolidate, process and disseminate quotation and transaction information to accommodate the Night Session; (2) that prior to commencing operation during the Night Session, the Exchange will file a proposed rule change pursuant to Section 19(b) of the Exchange Act and the rules thereunder to amend its rules confirming that the Exchange is able to comply with its obligations under the Exchange Act and the rules thereunder during the Night Session and that such Equity Data Plans are prepared to collect, consolidate, process and disseminate quotation and transaction information at all times during the Night Session (“Night Session Proposed Rule Change”); and (3) that if the Night Session Proposed Rule Change is not filed within 18 months of the SEC’s approval of this proposed rule change, the Exchange will promptly file a proposed rule change to remove the rules that apply to the Night Session). See id.

- Disciplinary rules and enforcement
- Opening and Closing Crosses
- Clearly Erroneous protections

The “Day” Trading Session

The new Day trading session will combine and incorporate, without substantive changes, all elements of what are now the Pre-Market Hours,²⁰ Regular Market Hours,²¹ and Post-Market Hours²² trading sessions. Going forward, the Rules will delineate these sessions as distinct sub-parts of the Day Session.²³ During the Day Session, all existing requirements, procedures, behaviors and processes, including those governing the Opening and Closing Crosses, halts, routing, order types, attributes, times-in-force, order entry protocols, connectivity, market data, etc., all will persist in their current form, with only minor conforming changes (described below). For example, Order Type availability and behavior in the Pre-Market Hours of 4:00-9:30 AM ET will remain the same going forward as it is now.²⁴ As another example, limits on Order Type availability in Post-Market trading will continue to apply.²⁵

²⁰ See Rule Equity 1, Section 1(a)(9) (defining the terms “Market Hours,” “Pre-Market Hours,” and “Post-Market Hours”). To effect this change, the Exchange proposes a non-substantive term to define the term “Pre-Market Hours” as that subset of the Day Session comprising the trading session that begins at 4:00 a.m. and continues until 9:30 a.m. on Business Days. See proposed Rule Equity 1, Section 1(a)(20).

²¹ See Rule Equity 1, Section 1(a)(9). To effect this change, the Exchange proposes a non-substantive term to define the term “Regular Market Hours” as that subset of the Day Session comprising the trading session that begins at 9:30 a.m. and continues until 4:00 p.m. or 4:15 p.m. on Business Days. See proposed Rule Equity 1, Section 1(a)(22).

²² See Rule Equity 1, Section 1(a)(9). To effect this change, the Exchange proposes a non-substantive term to define the term “Post-Market Hours” as that subset of the Day Session comprising the trading session that begins at 4:00 p.m. or 4:15 p.m. and that continues until 8:00 p.m. on Business Days. See proposed Rule Equity 1, Section 1(a)(21).

²³ See proposed Rule Equity 1, Sections 1(a)(18), and (20)-(21).

²⁴ See proposed Rule 4702.

²⁵ See proposed Rule 4702. Consistent with the behavior of such order during extended hours, the Exchange proposes to amend Rule 4702(b)(3)(A), that during the Night Session, as is the case during Pre- and Post-Market Hours, a Non-Displayed Order will be posted at its entered limit price without adjustment. See proposed Rule 4702(b)(3)(A). The Exchange further proposes to amend Rule 4702(b)(4) to provide that,

The “Night” Trading Session

By contrast to the Day trading session, the proposed Night trading session will be an entirely new trading session that will cover a period of the night in the Eastern Time Zone in the United States in which trading on the Exchange does not now occur.²⁶ In many ways, the Night session will be like the existing Post-Market Hours and Pre-Market Hours trading sessions in that it will feature limited functionality to reflect the inapplicability of Reg. NMS and reduced trading activity. The Night Session will also feature a limited number of Order Types and Attributes.

Specifically, the following Order Types will not be available during the Night Session : Supplemental²⁷; Market Maker Peg²⁸; Market On Open (“MOO”)²⁹; Limit on Open (“LOO”)³⁰;

during the Night Session, as is the case today with respect to the Pre- and Post-Market Hours, a Post-Only Order will be processed in a manner identical to Regular Market Hours with respect to locking or crossing Orders on the Nasdaq Book, but will not be cancelled or have its price adjusted with respect to locking or crossing the quotations of other market centers. See proposed Rule 4702(b)(4). The Exchange believes this proposed change is appropriate because the Night Session is effectively an extension of the Exchange’s current extended hours, and this proposed change conforms the behavior of this order during the current extended hours through the hours of operation of the Night Session, as proposed.

²⁶ See proposed Rule 1 Equity, Section 1(a)(19).

²⁷ A “Supplemental Order” is an Order Type with a Non-Display Order Attribute that is held on the Nasdaq Book in order to provide liquidity at the NBBO through a special execution process described in Rule 4757(a)(1)(D). A Supplemental Order may be entered at any time during Pre-Market Hours, or Regular Market Hours, but is available for potential execution only during Market Hours. Any Supplemental Orders still on the Nasdaq Book at the conclusion of Market Hours will be cancelled. See Rule 4702(b)(6).

²⁸ A “Market Maker Peg Order” is an Order Type designed to allow a Market Maker to maintain a continuous two-sided quotation at a displayed price that is compliant with the quotation requirements for Market Makers set forth in Rule Equity 2, Section 5(a)(2). The Exchange is proposing to provide Market Maker Peg Orders are not available during the Night Session, and, further, that Market Maker Peg Orders designated for the Night Session will be cancelled. See proposed Rule 4702(b)(7)(A).

²⁹ A “Market On Open Order” or “MOO Order” is an Order Type entered without a price that may be executed only during the Nasdaq Opening Cross. Subject to the qualifications provided in Rule 4702(b)(8), MOO Orders may be entered between 4 a.m. ET and immediately prior to 9:28 a.m. ET. An MOO Order will execute only at the price determined by the Nasdaq Opening Cross. See Rule 4702(b)(8).

³⁰ A “Limit On Open Order” or “LOO Order” is an Order Type entered with a price that may be executed only in the Nasdaq Opening Cross, and only if the price determined by the Nasdaq Opening Cross is equal to or better than the price at which the LOO Order was entered. Subject to the qualifications provided in Rule 4702(b)(9), LOO Orders may be entered between 4 a.m. ET and immediately prior to 9:28 a.m. See Rule 4702(b)(9).

Opening Imbalance Only (“OIO Order”)³¹; Market on Close (“MOC Order”)³²; Limit on Close (“LOC Order”)³³; Imbalance-Only (“IO Order”).³⁴ Company Direct Listing³⁵; Extended Trading Close³⁶; Midpoint Peg Post-Only³⁷; Midpoint Extended Life Order (“M-ELO”)³⁸; and Midpoint Extended Life Order Plus Continuous Book (“M-ELO+CB Order”).³⁹

³¹ An “Opening Imbalance Only Order” or “OIO Order” is an Order Type entered with a price that may be executed only in the Nasdaq Opening Cross and only against MOO Orders, LOO Orders, or Early Market Hours Orders (as defined in Rule 4752). OIO Orders may be entered between 4:00 a.m. ET until the time of execution of the Nasdaq Opening Cross, but may not be cancelled or modified at or after 9:25 a.m. ET. See Rule 4702(b)(10)(A).

³² A “Market On Close Order” or “MOC Order” is an Order Type entered without a price that may be executed only during the Nasdaq Closing Cross. Subject to the qualifications provided in Rule 4702(b)(11), MOC Orders may be entered between 4 a.m. ET and immediately prior to 3:55 p.m. See Rule 4702(b)(11).

³³ A “Limit On Close Order” or “LOC Order” is an Order Type entered with a price that may be executed only in the Nasdaq Closing Cross and only if the price determined by the Nasdaq Closing Cross is equal to or better than the price at which the LOC Order was entered, subject to qualifications set out in Rule 4702(b)(12). Subject to qualifications set out in the Rule, LOC Orders may be entered, cancelled, and/or modified between 4 a.m. ET and immediately prior to 3:50 p.m. ET. . See Rule 4702(b)(12).

³⁴ An “Imbalance Only Order” or “IO Order” is an Order entered with a price that may be executed only in the Nasdaq Closing Cross and only against MOC Orders or LOC Orders. IO Orders may be entered between 4:00 a.m. ET until the time of execution of the Nasdaq Closing Cross. See Rule 4702(b)(13).

³⁵ A “Company Direct Listing Order” or “CDL Order” is a “market order” entered without a price that may be executed only in the Nasdaq Halt Cross for a Direct Listing with a Capital Raise (as defined in Listing Rule IM-5315-2). See Rule 4702(b)(16). The Exchange proposes to amend Rule 4702(b)(16)(A) to provide that CDL Orders are not eligible to participate in the Night Session, and, further, that CDL Orders designated for the Night Session will be rejected. See proposed Rule 4702(b)(16)(A).

³⁶ An “Extended Trading Close” or “ETC” Order is an Order Type applicable to Nasdaq-listed securities that may be executed only during the Extended Trading Close and only at the Nasdaq Official Closing Price, as determined by the Nasdaq Closing Cross. See Rule 4702(b)(17). The Exchange proposes to amend Rule 4702(b)(17) to provide that ETC Orders are not eligible to participate in the Night Session, and that ETC Orders designated for the Night Session will be rejected. See proposed Rule 4702(b)(17)(A).

³⁷ A “Midpoint Peg Post-Only Order” (“MPPO”) is an Order Type with a Non-Display Order Attribute that is priced at the midpoint between the NBBO and that will execute upon entry only in circumstances where economically beneficial to the party entering the Order. The Midpoint Peg Post-Only Order is available during Market Hours only. See Rule 4702(b)(5).

³⁸ A “Midpoint Extended Life Order” is an Order Type with a Non-Display Order Attribute that is priced at the midpoint between the NBBO and that will not be eligible to execute until a minimum time period has passed after acceptance of the order by the System. Eligible Midpoint Extended Life Orders may only execute against other eligible Midpoint Extended Life Orders and M-ELO+CB Orders. See Rule 4702(b)(14). The Exchange proposes to amend subparagraph (A) of Rule 4702(b)(14) to provide that Midpoint Extended Life Orders are not eligible to participate in the Night Session, and that Midpoint Extended Life Orders designated for the Night Session will be rejected. See proposed Rule 4702(b)(14)(A).

³⁹ A “Midpoint Extended Life Order Plus Continuous Book” or “M-ELO+CB” is an Order Type that has all of the characteristics and attributes of a Midpoint Extended Life Order, except that a M-ELO+CB that satisfies a specified holding period is eligible to execute (at the midpoint of the NBBO) against other

As proposed, orders for the Night Session may be entered into the System (or previously entered orders cancelled or modified) from 9:00 PM ET until 4:00 AM ET in accordance with the hours of operation for the Night Session.⁴⁰

Similarly, the following Order Attributes will not be available during the Night Session: Primary Pegging⁴¹; Market Pegging⁴²; Midpoint Pegging⁴³; and Discretion (Pegging)⁴⁴. With

eligible M-ELO+CBs, eligible Midpoint Extended Life Orders, and as described in the rule, Non-Displayed Orders with Midpoint Pegging resting on the Exchange's Continuous Book. See Rule 4702(b)(15). The Exchange proposes to amend subparagraph (A) of Rule 4702(b)(15) to provide that M-ELO+CB orders are not eligible to participate in the Night Session, and that M-ELO+CB orders designated for the Night Session will be rejected. See proposed Rule 4702(b)(15)(A).

⁴⁰ To effect this change, the Exchange proposes to provide in Rule 4756(a)(3) that orders for the Night Session may be entered into the System (or previously entered Orders cancelled or modified) from 9 p.m. until 4:00 a.m. ET in accordance with the hours of operation for the Night Session. See proposed Rule 4756(b). The Exchange further proposes to provide in Rule 4120(a)(10)(C) that the Exchange will begin accepting orders for the Night Session at 9:00 PM ET in accordance with Rule 4756 and will trade thereafter through the Night Session. Similarly, and with respect to entry of quotes by Nasdaq Market Makers, the Exchange proposes to provide that during the Night Session, Nasdaq Market Makers and Nasdaq ECNs can enter quotes into the System from 9:00 PM ET to 4:00 AM ET. See proposed Rules 4756(a)(10)(C), 4756(b).

⁴¹ See Rule 4703(d). Pegging is a)n Order Attribute that allows an Order to have its price automatically set with reference to the National Best Bid and Offer; provided, however, that if Nasdaq is the sole market center at the Best Bid or Best Offer (as applicable), then the price of any Displayed Order with Primary Pegging will be set with reference to the highest bid or lowest offer disseminated by a market center other than Nasdaq. Pegging is available only during Market Hours. Nasdaq offers three varieties of Pegging: Primary Pegging, Market Pegging, and Midpoint Pegging. Primary Pegging means Pegging with reference to the Inside Quotation on the same side of the market. See id.

⁴² Market Pegging means Pegging with reference to the Inside Quotation on the opposite side of the market. Pegging is available only during Market Hours. See Rule 4703(d).

⁴³ See Rule 4703(d). Midpoint Pegging means Pegging with reference to the midpoint between the Inside Bid and the Inside Offer. Pegging is available only during Market Hours. See id.

⁴⁴ Discretion is an Order Attribute under which an Order has a non-displayed discretionary price range within which the entering Participant is willing to trade; such an Order may be referred to as a "Discretionary Order." The Discretion Order Attribute may be combined with the Pegging Order Attribute, in which case either the price of the Order or the discretionary price range or both may be pegged in the ways described in Rule 4702(d) with respect to the Pegging Order Attribute. As discussed above, however, and consistent with its proposal with respect to the Pegging order attribute during the Night Session, the Exchange proposes to provide that during the Night Session, the Discretion attribute may not be combined with the Pegging Order attribute. See proposed Rule 4703(g) (providing that the Discretion order attribute is available during the Night Session, provided however, that during the Night Session, the Discretion order attribute may not be combined with the Pegging Order attribute, and further, that orders designated for the Night Session that combine the Discretion attribute with a Pegging attribute will be rejected).

respect to Time-in-Force⁴⁵ order attributes, orders entered during the Night Session that are designated to deactivate after 4:00 AM ET will deactivate at the conclusion of the Night Session at 4:00 AM ET.⁴⁶

However, the Night session will differ from Post-Market Hours and Pre-Market Hours trading in several respects. Below is a summary of the key functionality of the Night session as it will be available at its launch date. Note that the Exchange plans to introduce additional functionality to the Night Session in the future, some of which is also described below.

- Connectivity: The Exchange will require market participants to use ports specifically designated for use during the Night session.⁴⁷ Market participants that have already purchased ports from the Exchange may continue using them to trade during the Day Session, but if participants wish to trade during the Night session, then they will need to use a separate Night Session port to do so.⁴⁸ The Exchange proposes this requirement to use Night session ports because the Exchange will run a distinct

⁴⁵ The “Time-in-Force” assigned to an Order means the period of time that the Nasdaq Market Center will hold the Order for potential execution. Participants specify an Order's Time-in-Force by designating a time at which the Order will become active and a time at which the Order will cease to be active. See Rule 4702.

⁴⁶ To effect this change, the Exchange proposes to provide in Rule 4703(a) that available times for deactivating orders include a specified time identified by the Participant; provided, however, that an Order Specifying an expire time after 4:00 AM ET will expire at the conclusion of the Night Session at 4:00 AM ET. See proposed Rule 4703(a). The Exchange further proposes to provide that an order that is designated to deactivate at 8:00 p.m. may be referred to as having a Time in Force of "System Hours Day" or "SDAY"; provided, however, that an Order designated for participation in the Night Session having a Time in Force of "System Hours Day" or "SDAY" will deactivate at 4:00 AM ET. See proposed Rule 4703(a)(2). The Exchange believes these proposed changes would enhance transparency with respect to the operation of the Exchange rules consistent with the protection of investors and the public interest because the Exchange is proposing to cancel all orders outstanding in the system at the conclusion of the Night Session, and, therefore, orders with a time in force extending beyond the hours of operation for the Night Session would be cancelled.

⁴⁷ See proposed Rule 4702(a) (providing that, to trade in the Night Session, market participants will be required to use ports specifically designated for use during the Night Session, and that ports used for the Day Session will not connect market participants to trading systems for the Night Session). The Exchange further proposes to provide that the following protocols will be available during the Night Session: OUCH 5, Core FIX, and FIX. See proposed Rule 4702(a).

⁴⁸ See id.

instance of its Trading System during the Night session, and ports used for Day session will only be capable of connecting to the instance of the Trading System used to operate the Day session. Day ports will be operational from 4:00AM ET through 8:00 PM ET, and Night ports will be operational from 9:00 PM ET through the following day at 4:00 AM ET.⁴⁹

- Times-in-Force: As noted above, the Exchange will employ the Time-in-Force Order Attribute during the Night session as it does now during the Day session, with two changes designed to reflect the Exchange’s proposed hours of operations. First, the Exchange proposes to (1) amend Rule Equity 1, Section 1(a)(9) to update the definition of the term “System Hours”—which is currently defined as the hours of 4:00 AM ET through 8:00 PM ET— to reflect the Exchange’s proposed hours of operation,⁵⁰ and (2) amend Rule 4703(a) to provide that when an Order may be deactivated at the end of “System Hours,” the term “System Hours” refers to the period from 9:00 PM ET to the following calendar day at 8:00 PM ET, in accordance with the definition of “System Hours” in Rule Equity 1, Section 1(a)(9).⁵¹

⁴⁹ To effect this change, the Exchange proposes to provide that Night Session ports will be operational from 9:00 p.m. ET through the following day at 4:00 a.m. ET in accordance with the definition of Night Session and that Day ports will be operational from 4:00 a.m.ET through 8:00 p.m. ET on Business Days. See proposed Rule 4702(a).

⁵⁰ See proposed Rule 1, Equity 1, Section 1(a)(9). As proposed, the term “System Hours” would mean the 23-hour time period beginning at 9:00 p.m. ET on one calendar day and ending at 8:00 p.m. ET (or such earlier time as may be designated by Nasdaq on a day when Nasdaq closes early) on the next calendar day for the period from Sunday at 9:00 p.m. ET through Friday at 8:00 p.m. ET in accordance with definitions of Day Session (including the Pre-Market Hours, Regular Market Hours, Post-Market Hours) and Night Session. The Exchange further proposes to modify Equity 1, Section 1(a)(9) to delete the definitions of “Market Hours,” “Pre-Market Hours” and “Post-Market Hours,” as the Exchange is proposing to define each such term separately elsewhere in Rule Equity 1, Section 1.

⁵¹ See proposed Rule 4703(a). As proposed, the Exchange would provide that the available times for deactivating an order include, among others, at the end of System Hours, in accordance with the definition of “System Hours” in Rule Equity 1, Section 1(a)(9). See proposed Rule 4703(a).

- Trading Halts: The Exchange will address trading halts, including for certain corporate actions, in either an amendment to this rule filing or in a discrete rule filing prior to the implementation of 23/5 trading on Nasdaq.⁵²
- Volatility Moderation Mechanisms: As of the date of submission of this rule filing, Nasdaq has yet to determine which, if any, market volatility moderation mechanisms it will employ during the Night Session. Today, during the Post-Market trading session, the Exchange does not employ industry-wide mechanisms that apply only during Regular Market trading hours, including Limit-Up-Limit Down and Market-wide Circuit Breakers.⁵³ Nevertheless, the Exchange and its peers, through the UTP Plan Operating Committee, are discussing whether to employ these mechanisms or a similar industry-wide protection mechanism. Accordingly, Nasdaq intends to address this topic either in an amendment to this rule filing, or in a separate rule filing.
- Surveillance: During the Night session, the Exchange will have a dedicated team to conduct real-time surveillance, process Clearly Erroneous⁵⁴ filings, and as needed,

⁵² Consistent with the approved rules of another national securities exchange, and specifically, 24X Rule 11.15(c)(5), the Exchange proposes to provide in Rule 4120(a)(10)(D) that during the Night Session, if the primary listing market determines to halt trading, or delay commencement of trading, in one of its listed securities in accordance with such primary listing market's rules (e.g., with regard to material corporate actions with respect to a particular security (i.e., corporate actions that may affect a stock price, stock additions and subtractions, and similar actions) or material news announcements), the Exchange will halt trading, or delay the commencement of, trading (as applicable), in such security until trading resumes on the primary listing market for the security. Further, the Exchange proposes to provide that if trading in a security is halted by the primary listing market before the commencement of the Night Session and continuing into the Night Session, or during the Night Session, the Exchange will halt trading in the security until trading resumes on the primary listing market for the security. See proposed Rule 4120(a)(10)(D); 24X Rule 11.15(c)(5). The Exchange also proposes a technical, non-substantive conforming change to renumber subparagraphs (10)-(15) of current Rule 4120(a) as subparagraphs (11)-(16).

⁵³ Nasdaq will implement such industry-wide protections if the industry or the Commission determines to add them to overnight trading sessions, pursuant to industry plans or otherwise.

⁵⁴ To effect this change, the Exchange proposes to amend Equity 1, Rule 11890 ("Clearly Erroneous Transactions") to incorporate the Night Session as appropriate throughout the various provisions in the rule. Specifically, the Exchange proposes to insert references to the Night Session in the following provisions: romanette (iii) of Rule 11890(a)(2)(A) (with respect to filing time periods); subparagraph (2) of Rule

implement trading halts. Real-time surveillance for the Night session will be similar to real-time surveillance in other sessions today. Real-time surveillance includes monitoring for unusual activity, the detection of potential manipulation and other market abuse, as well as coordination with Nasdaq departments and member firm representatives as necessary to monitor and or resolve unexpected matters. The Exchange will utilize the Nasdaq Market Surveillance system to electronically monitor and alert trading anomalies. The Clearly Erroneous process and trading halts for listed securities will be handled by the Exchange surveillance staff, similar to all other sessions, and in accordance with the rules applicable to Clearly Erroneous filings and Trading Halts.

- Market Data: The Exchange proposes to disseminate the same market data information during the Night session as are available during the Day session.
- Risk Disclosures: In accordance with Equity 2, Section 20, the Exchange proposes to supplement its current customer disclosures concerning risks associated with trading during Pre-Market Hours and Post-Market Hours to add six additional potential risks associated with trading during the Night Session based on the approved rules of 24X and NYSE Arca.⁵⁵ As proposed, the Exchange would require that its members make

11890(C), including the table under romanette (i) (with respect to eligibility for review) and romanettes (ii) and (iii) thereunder; subparagraph (3) of Rule 11890(a)(3)(D)(3) (with respect to trades on the Nasdaq Bond Exchange); and romanette (i) of Rule 11890(b) (with respect to procedures for reviewing transactions on Nasdaq's own motion). The Exchange believes this proposed change is appropriate because the use of clearly erroneous executions rules to address volatility during the Night Session is consistent with (1) Nasdaq's regulatory framework for addressing volatility during its extended hours sessions when other regulatory protections are not in effect, (2) the regulatory framework applied to other national securities exchanges, and (3) the approved rules of 24X. See e.g., CboeBZX Rule 11.17; Nasdaq Equity 11, Rule 11890; NYSE Arca Rule 7.10-E; 24X Rule 11.14.

⁵⁵ See, e.g., 24X Approval Order, supra note **Error! Bookmark not defined.**; 24X Rule 3.21 ("Customer Disclosures"); NYSE Arca Approval Order, supra note **Error! Bookmark not defined.**; NYSE Arca Rule 7.34-E(T) ("Trading Sessions").

- certain disclosures to investors concerning risks associated with trading during Pre-Market Hours, Post-Market and the Night Session.⁵⁶ These proposed disclosures will enhance transparency by warning customers that trading during these extended hours involves material trading risks, as outlined in the proposed rules.⁵⁷
- Equity Data Plans: Consistent with the approved rules of 24X and NYSE Arca,⁵⁸ the Exchange proposes to provide that the Exchange would not commence operation of the Night Session unless the Equity Data Plans (as proposed to be defined in Rule Equity 1, Section 1(a)(16))⁵⁹ have established a mechanism to collect, consolidate, process and disseminate quotation and transaction information at all times during Extended Trading Hours that is equivalent to the mechanism established for Regular Market Hours, and (2) have provided the Exchange with notification that they are prepared to collect, consolidate, process and disseminate quotation and transaction information to accommodate the Night Session.⁶⁰

⁵⁶ See proposed Rule Equity 2, Section 20 (8)(A)-(F) (providing, in part, that trading during the Night Session may present risks, including (1) the risk of trading during hours in which the primary listing market may not be open, (2) the risk of trading during hours in which there may be limited or different regulatory protections, (3) the risk of having limited trading alternatives, (4) risks related to continuous trading, (5) risks of trading during hours in which financial market infrastructure companies may be closed), and (6) unforeseen risks beyond those enumerated in the proposed rules).

⁵⁷ See proposed Rule Equity 2, Section 20.

⁵⁸ See 24X Rule 1.5(c); NYSE Arca Rule 7.34-E.

⁵⁹ As proposed, the term “Equity Data Plans” means the effective national market system plans that govern the collection, consolidation, processing and dissemination of equity market data for NMS stocks and oversee the exclusive securities information processors (“SIPs”), including (1) the Consolidated Tape Association Plan (“CTA Plan”), (2) the Consolidated Quotation Plan (“CQ Plan”), (3) the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq- Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis (“UTP Plan”), (4) the CT Plan established by the Limited Liability Company Agreement of CT Plan LLC, and (5) any successor thereto to the named Plans. See proposed Rule Equity 1, Section 1(a)(16).

⁶⁰ Also consistent with the approved rules of 24X and NYSE Arca, the Exchange further proposes to provide that, prior to commencing operation during the Night Session, the Exchange will file a proposed rule change pursuant to Section 19(b) of the Exchange Act and the rules thereunder to amend its rules confirming that the Exchange is able to comply with its obligations under the Exchange Act and the rules

Transition from Night to Day Session

The following describes proposed procedures for the Exchange to transition from a Night session to a Day session at 4:00AM ET each weekday. At the conclusion of the Night Session at 4:00 AM ET, all orders outstanding on the Nasdaq Book as of 4:00 AM ET will be canceled.⁶¹ The Exchange currently begins accepting new orders for the Pre-Market Session at 4:00 AM ET,⁶² and, as proposed, this would remain unchanged.

Weekday 8:00-9:00 PM ET Trading Pause

As proposed, upon conclusion of the Day session on each weekday, at 8:00 PM ET, trading on the Exchange will pause for one hour.⁶³ It will resume with commencement of the Night session at 9:00 PM ET.⁶⁴ All orders outstanding on the Nasdaq Book as of 8:00 PM ET will be canceled.⁶⁵ The Exchange will begin accepting new orders at 9:00 PM, Sunday through

thereunder during the Night Session and that such Equity Data Plans are prepared to collect, consolidate, process and disseminate quotation and transaction information at all times during the Night Session (“Night Session Proposed Rule Change”). If the Night Session Proposed Rule Change is not filed within 18 months of the Commission’s approval of this proposed rule change, the Exchange will promptly file a proposed rule change to remove the rules that apply to the Night Session. See, e.g., proposed Rule Equity 1, Section 1(a)(19); 24X Rule 1.5(c); NYSE Arca Rule 7.34-E.

⁶¹ To effect this change, the Exchange proposes to provide in proposed Rule 4120(a)(10)(C) that at the conclusion of the Night Session at 4:00 AM ET, all orders outstanding in the Nasdaq Book as of 4:00 AM ET shall be cancelled. See proposed Rule 4120(a)(10)(C).

⁶² See Rule 4752(b).

⁶³ See proposed Rule 4120(a)(10). To effect this change, the Exchange proposes to provide in proposed Rule 4120(a)(10) that the Exchange shall halt trading at the conclusion of the Day Session at 8:00 p.m. ET and resume trading with the commencement of the Night Session at 9:00 p.m. ET, on Monday, Tuesday, Wednesday and Thursday, in accordance with Rule Equity 1, Sections 1(a)(18)-(19) of these rules. As further proposed, weekday trading would commence with a Night Session beginning at 9:00 p.m. ET, on Sunday. See proposed Rule 4120(a)(10).

⁶⁴ See proposed Rule 4120(a)10. Consistent with the approved rules of another national security exchange, and specifically 24X Rule 11.15(c)(4), the Exchange proposes to provide that the Exchange may pause trading during the Night Session at such other times as the Exchange in the exercise of its regulatory functions may determine is appropriate, and that the Exchange will announce in advance when such trading will pause and when it will resume pursuant to this paragraph. See, e.g., proposed Rule 4120(a)(10)(A); 24X Rule 11.15(c)(4).

⁶⁵ See proposed Rule 4120(a)(10)(B). To effect this change, the Exchange proposes to provide in proposed Rule 4120(a)(10)(B) that orders outstanding on the Nasdaq Book as of 8:00 PM ET shall be cancelled. See id.

Thursday and will trade thereafter throughout the Night Session.⁶⁶ Trades occurring at or after the commencement of a Night Session and before midnight will be assigned a trade date of the following day.⁶⁷ At the conclusion of the Night Session at 4:00 AM ET, all orders outstanding in the Nasdaq Book as of 4:00 AM ET will be cancelled.⁶⁸

The proposed daily pause in trading will help delineate when a trade date session/value date rolls from T to T+1. A trade submitted to the Exchange prior to 8:00 PM ET on a given day will have a trade date of that same day. However, a trade submitted to the Exchange at or after 9:00 PM ET on a given weekday will have a trade date of the following calendar day.⁶⁹ For example, a trade submitted at 9:30 PM ET on Monday, October 10th will be assigned a trade date of October 11th. Assuming that clearing and settlement continues to occur on a T+1 basis, then in this example, this trade would clear and settle by Wednesday, October 12th.

The trading pause will mitigate systemic risk to the markets and promote resiliency by providing time for both the Exchange and market participants to conduct maintenance and testing. During the pause, for example, the Exchange will shift its operations to a second instance of its System that will run the Night session.

Finally, the trading pause will allow the Exchange to process, or to begin processing any corporate actions that may be pending for the next trading day, including stock splits, dividends,

⁶⁶ See proposed Rule 4120(a)(10)(C). To effect this change, the Exchange proposes to provide that the Exchange will begin accepting orders for the Night Session at 9:00 PM ET in accordance with Rule 4756 and will trade thereafter throughout the Night Session. As further proposed, trades occurring at or after the commencement of the Night Session and before midnight will be assigned a trade date of the following day. See id. As discussed above, the Exchange is also proposing to provide in Rule 4756(a)(3) that Orders for the Night Session may be entered into the System (or previously entered Orders cancelled or modified) from 9 p.m. until 4:00 a.m. ET in accordance with the hours of operation for the Night Session. See proposed Rule 4756(a)(3).

⁶⁷ See proposed Rule 4120(a)(10)(C).

⁶⁸ See proposed Rule 4120(a)(10)(C) (proposing to provide, in part, that at the conclusion of the Night Session at 4:00 AM ET, all orders outstanding in the Nasdaq Book as of 4:00 AM ET shall be cancelled).

⁶⁹ See proposed Rule 4120(a)(10)(C).

name changes, and distributions. The Exchange notes that certain corporate actions will likely require halts beyond the trading pause. For example, dividends must be paid on particular calendar days, which will not, going forward, always coincide with the commencement of new trading days on Nasdaq at 9:00PM ET. Accordingly, Nasdaq will likely need to halt trading in such securities until sometime during the next calendar date. As with market protections and halts, the processing of corporate actions has industry-wide implications and Nasdaq intends to coordinate with other exchanges to establish a harmonized approach. As such, Nasdaq intends to address its treatment of corporate actions during and after the Trading Pause in either an amendment to this rule filing or in a discrete rule filing prior to the launch of 23/5 trading on Nasdaq.

Related Proposed Rule Changes

As discussed above, the Exchange proposes to trade equity securities and ETPs on a 23/5 basis. To effect this change with respect to certain ETPs, the Exchange proposes to amend certain rules under the Nasdaq 5700 Series as follows. The Exchange proposes to provide that, in addition to the Regular Market Hours and the Pre-and Post-Market Hours, as it does today, Nasdaq may designate the following for trading during the Night Session: Exchange Traded Fund Shares,⁷⁰ Portfolio Depositary Receipts listed pursuant to Rules 5705(a)(4) and (5),⁷¹ and

⁷⁰ See proposed Rule 5704(b)(1)(C). To effect this change, the Exchange proposes to insert the words “or Night Session, as such terms are defined in Rule 4120” immediately following the description of the Pre- and Post-Market Hours sessions in Rule 5704(b)(1)(C). The Exchange also proposes to make related conforming changes to remove obsolete language describing the current trading sessions and substitute therefor for the proposed terms for each such trading session. See proposed Rule 5704(b)(1)(C).

⁷¹ See proposed Rule 5705(a)(7). To effect this change, the Exchange proposes to insert the words “or Night Session, as such terms are defined in Rule 4120” immediately following the description of the Pre- and Post-Market Hours sessions in Rule 5705(a)(7) and make related conforming changes to remove obsolete language describing the current trading sessions and substitute therefor for the proposed terms for each such trading session. See proposed Rule 5705(a)(7).

Index Fund Shares.⁷² The Exchange believes this proposed change would remove impediments to and perfect the mechanism of a free and open market, and in general, protect investors and the public interest because the Exchange has rules in place to facilitate the trading of such ETPs during all trading sessions and may designate such ETPs for trading during all extended hours sessions, of which the proposed Night Session would constitute part.

Impact on Exchange Fees

The Exchange will address any impact of the rule proposal on its schedule of credits and fees, and its incentive programs, in a subsequent rule filing.

Clarifying, Conforming and Other Non-Substantive Changes

The Exchange proposes to amend current Equity 1, Section 1 to add three clarifying definitions. First, the Exchange proposes to define “Equity Data Plans” to mean the effective national market system plans that govern the collection, consolidation, processing and dissemination of equity market data for NMS stocks and oversee the exclusive securities information processors (“SIPs”), including (1) the Consolidated Tape Association Plan (“CTA Plan”), (2) the Consolidated Quotation Plan (“CQ Plan”), (3) the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq- Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis (“UTP Plan”), (4) the CT Plan established by the Limited Liability Company Agreement of CT Plan LLC, and (5) any successor thereto to the named Plans.⁷³

Second, the Exchange proposes to define “Business Day” to mean any Sunday from 9:00 PM ET

⁷² See proposed Rule 5705(b)(7). To effect this change, the Exchange proposes to insert the words “or Night Session, as such terms are defined in Rule 4120” immediately following the description of the Pre- and Post-Market Hours sessions in Rule 5705(b)(7) and make related conforming changes to remove obsolete language describing the current trading sessions and substitute therefor for the proposed terms for each such trading session. See proposed Rule 5705(b)(7).

⁷³ See proposed Rule Equity 1, Section 1(a)(16).

through Monday, Tuesday, Wednesday, Thursday or Friday other than any of the following U.S. holidays if they are celebrated on a Monday, Tuesday, Wednesday, Thursday or Friday: New Year's Day, Martin Luther King Jr. Day, Presidents' Day, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day Eastern Time, or such other U.S. holiday(s) as published by the Exchange from time to time.⁷⁴ Finally, the Exchange proposes to define “Extended Hours” to mean that, unless otherwise specified in Exchange rules, the term means the hours outside of Regular Market Hours and specifically comprising the hours during which Pre-Market Hours, Post-Market Hours, and Night Session are in operation.⁷⁵

The Exchange also proposes the following conforming, non-substantive changes.

- The Exchange proposes to amend the following rules to replace references to “Market Hours,” “regular market hours,” and similar references used to designate the trading session operating from 9:30 AM ET through 4:00 PM ET with the proposed term “Regular Market Hours,” and make related conforming changes: Rule Equity 1, Section 1(a)(9); Rule Equity 2, Section 20; and Rules 4120, 4702; 4703; 4752; 4753; 4754; IM-5250-1, 5704, 5705, 5710, 5711, 5713, 5745, 5760, 5810(b), 5840, and 11890.
- The Exchange proposes to amend the following rules to replace references to terms such as “Pre-Market Session,” “Early Market Hours,” and similar terms used to designate the pre-market trading session operating from 4:00 AM ET through 9:30 AM ET with the defined term “Pre-Market Hours” and make related conforming changes: Rule Equity 2, Section 20, and Rules 4120, 4702, 4703, 4753, 5704, 5705, and 11890.

⁷⁴ See proposed Rule Equity 1, Section 1(a)(17).

⁷⁵ See proposed Equity 1, Section 1(a)(23).

- The Exchange proposes to amend the following rules to replace references to terms such as “Post-Market Session,” “Extended Market Hours,” and similar terms used to designate the trading session operating from 4:00 PM ET through 8:00 PM ET, with the term “Post-Market Hours” and make related conforming changes: Rule Equity 2, Section 20, and Rules 4120, 4702, 4703, 4753, 5704, 5705, and 11890.
- The Exchange proposes to amend the following rules to replace references to “extended hours” with the term “Extended Hours,” as defined in Rule 1, Equity Section 1(a)(23): Rule Equity 2, Section 20, and Rule 4703.
- The Exchange would also make certain conforming changes as follows. First, the Exchange proposes to delete the obsolete reference to “4:00 a.m. to 8 p.m. Eastern Time on each business day” in Rule Equity 2, Section 8, and substitute therefor the term “System Hours,”⁷⁶ so as to update and align this rule with the proposed hours of operation for the Exchange. The Exchange proposes to make non-substantive changes to Rule 4120 as follows. The Exchange proposes to amend subparagraph (B) of Rule 4120(b)(4) to (1) to conform the current terms “Pre-Market Session,” “Post-Market Session,” and “Market Hours” to the proposed terms “Pre-Market Hours,” “Post-Market Hours,” and “Regular Market Hours,” as proposed Rule Equity 1, Sections 1(a)(20)-(22), respectively.⁷⁷ The Exchange further proposes to add in new subparagraphs (F)-(G) of Rule 4120(b)(4) that the terms “Day Session” and “Night Session” shall have the same meaning as defined in Rule Equity 1, Sections 1(a)(18) and (19), respectively. Consistent with how the Exchange operates during the Post-Market Hours, the

⁷⁶ See, e.g., proposed Rule Equity 2, Section 8; proposed Rule Equity 1, Section 1(a)(9) (defining the term “System Hours”). To effect this change, the Exchange proposes to delete, from Rule Equity 2, Section 8, the words “from 4:00 a.m. to 8:00 p.m. Eastern. Time on each business day” and substitute therefor the words “during System Hours.” See proposed Rule Equity 2, Section 8.

⁷⁷ See proposed Rule 4120(b)(4)(B)-(D).

Exchange also proposes to provide in Rule 4120(a)(3)(A), that if an applicable Required Value⁷⁸ continues not to be calculated or widely disseminated after the close of the Regular Market Hours, Nasdaq may trade a Derivative Securities Product⁷⁹ during the Night Session only if the listing market traded the Derivative Securities Product until the close of its regular trading session without a halt.⁸⁰

- Finally, the Exchange proposes a technical, non-substantive conforming change to renumber subparagraphs (10)-(15) of Rule 4120(a) as subparagraphs (11)-(16).

⁷⁸ “Required Value” means (i) the value of any index or any commodity-related value underlying a Derivative Securities Product, (ii) the indicative optimized portfolio value, intraday indicative value, or other comparable estimate of the value of a share of a Derivative Securities Product updated regularly during the trading day, (iii) a net asset value in the case of a Derivative Securities Product for which a net asset value is disseminated, and (iv) a Disclosed Portfolio in the case of a Derivative Securities Product that is a series of Managed Fund Shares, as defined in Rule 5735, or Managed Trust Securities, as defined in Rule 5711(j), and a Composition File in the case of a Derivative Securities Product that is a series of NextShares, as defined in Rule 5745. See Rule 4120(b)(4)(E).

⁷⁹ See proposed Rule 4120(b)(3)(A). “Derivative Securities Product” means a series of Exchange Traded Fund Shares, Portfolio Depository Receipts, Index Fund Shares, Managed Fund Shares, NextShares, Trust Issued Receipts, or Proxy Portfolio Shares (as defined in Rules 5704, 5705, 5735, 5745, 5720, and 5750 respectively), a series of Commodity-Related Securities (as defined in Equity 10, Section 8), securities representing interests in unit investment trusts or investment companies, Index- Linked Exchangeable Notes, Equity Gold Shares, Trust Certificates, Commodity-Based Trust Shares, Currency Trust Shares, Commodity Index Trust Shares, Commodity Futures Trust Shares, Partnership Units, Trust Units, Managed Trust Securities, or Currency Warrants (as defined in Rule 5711(a) - (k)), or any other UTP Derivative Security (as defined in Rule 5740). See Rule 4120(b)(4)(A).

⁸⁰ To effect this change, the Exchange proposes to amend Rule 4120(b)(3)(A) to insert, immediately after “Post-Market Session,” the words “and during the Night Session.” The Exchange also proposes a non-substantive to conform the term “Post Market Session” to the proposed term “Post-Market Hours” by deleting the word “Session” and substituting therefor the word “Hours.” As described below, the Exchange is proposing non-substantive changes to conform terms “Pre-Market Session,” Post-Market Session, and “Market Hours” in each instance such terms are used within Rule 4120 with the proposed terms “Pre-Market Hours,” “Post-Market Hours,” and “Regular Market Hours,” respectively. The Exchange believes that establishing uniform names for its trading sessions, as proposed, is appropriate because consolidating the varying terms for each such session into one defined and uniform term for each such session would facilitate the understanding of and compliance with the Exchange’s rules. See, e.g., proposed Rule 4120; proposed Rule Equity 1, Section 1(a)(20)-(22).

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁸¹ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁸² 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.

It is consistent with the Act to permit members of the Exchange to trade securities on an extended basis, for 23 hours per day, 5 days per week. As explained above, investors increasingly trade securities, along with digital assets, on a global basis. Investors located outside of the United States in places like Asia presently cannot trade on Nasdaq during what constitutes their regular trading hours, as the Exchange is closed during that period. Even among U.S.-based investors, demand is growing for exchanges to expand their market hours to accommodate overnight trading. Accordingly, investors seeking access to U.S. equities and ETP markets during overnight and weekend hours must resort to trading on a handful of ATSS that offer round-the-clock trading. Nasdaq's proposal will enable Nasdaq to serve these investors and to compete with ATSS, foreign securities markets, and other markets for their order flow. It will also enable the Exchange to compete with new and incumbent exchanges which the SEC has approved to trade overnight in a similar manner.

The Exchange's proposal to operate on an extended hours basis is largely based on Nasdaq's longstanding rules for extended hours trading, as well as the approved rules of other national securities exchanges also seeking to operate on a 23/5 basis. As proposed, these rules

⁸¹ 15 U.S.C. 78f(b).

⁸² 15 U.S.C. 78f(b)(5).

are designed to address potential differences in trading compared to regular trading hours, as well as to enhance transparency and investor protections. For example, the Exchange is proposing to supplement the existing required customer disclosures to require the disclosure of six additional potential risks associated with trading during extended hours, including the proposed Night Session. Such disclosures notify investors of potential risks and allow them to evaluate whether to trade during extended hours. The Exchange would also implement measures to safeguard against trade executions that are clearly erroneous while it works to build industry-wide consensus on proposals for establishing uniform after-hours volatility moderators. Nasdaq would also address corporate actions, conduct real-time surveillance, and implement trading halts consistent with its proposed rules. Finally, trading overnight will be transparent because Nasdaq will not commence operations of the proposed extended hours until the Equity Data Plans are prepared to collect, consolidate, process and disseminate quotation and transaction information at all times during the Night Session. The proposed rules will also foster competition by introducing another trading venue during the overnight hours, as at least two other exchanges have obtained Commission approval for operating on an extended hours basis.

In addition to increasing investor access to the Exchange, the proposal also stands to promote capital formation and facilitate portfolio management.

Finally, the Exchange believes that the proposed conforming and other non-substantive changes would remove impediments to and perfect the mechanism of a free and open market by reducing potential investor and market participant confusion thereby ensuring that investors and market participants can more easily navigate, understand and comply with the Exchange's rules.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The

Exchange's proposal to expand its trading hours to 23 hours a day, 5 days per week are neither intended to nor will they adversely impact competition. If anything, the Exchange expects that the proposed changes will promote competition by providing for the Nasdaq Stock Market to accommodate the growing demand to trade equity securities during overnight hours when the market is presently closed. Unaffiliated exchanges remain free to compete by offering extended hours trading of similar duration.

The Exchange operates in a highly competitive market in which market Participants can readily choose between competing venues if they deem participation in the Exchange's market to no longer be desirable or if they do not wish to trade during the new Night session. In such an environment, the Exchange must carefully consider the impact that any change it proposes may have on market participants, understanding that it will likely lose participants to the extent a change is viewed as unfavorable by them. Because competitors are free to modify the functionality and structure of their markets, including by availing themselves of the same capabilities that are being developed to trade securities and ETPs on a 23/5 basis, the Exchange believes that the degree to which its proposal imposes any burden on competition is limited. Last, to the extent the proposed change is successful in attracting additional market participants or additional activity by existing participants, the Exchange also believes that the proposed change will promote competition among trading venues by making the Exchange a more attractive trading venue.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) by order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

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

Electronic Comments:

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NASDAQ-2025-109 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-2025-109. 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 filing 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-2025-109 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.⁸³

Sherry R. Haywood,

Assistant Secretary.

⁸³ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

The text of the proposed rule change is detailed below; proposed new language is underlined and proposed deletions are in brackets.

THE NASDAQ STOCK MARKET LLC RULES

* * * * *

5000. Nasdaq Listing Rules

* * * * *

IM-5250-1. Disclosure of Material Information

Rule 5250(b)(1) requires that, except in unusual circumstances, Nasdaq Companies disclose promptly to the public through any Regulation FD compliant method (or combination of methods) of disclosure any material information that would reasonably be expected to affect the value of their securities or influence investors' decisions. Nasdaq Companies must notify Nasdaq at least ten minutes prior to the release to the public of material information that involves any of the events set forth below when the public release of the information is made between 7:00 a.m. to 8:00 pm. ET. If the public release of the material information is made outside of 7:00 a.m. to 8:00 p.m. Nasdaq Companies must notify MarketWatch of the material information prior to 6:50 a.m. ET. Under unusual circumstances Companies may not be required to make public disclosure of material events; for example, where it is possible to maintain confidentiality of those events and immediate public disclosure would prejudice the ability of the Company to pursue its legitimate corporate objectives. However, Nasdaq Companies remain obligated to disclose this information to Nasdaq upon request pursuant to Rule 5250(a).

Whenever unusual market activity takes place in a Nasdaq Company's securities, the Company normally should determine whether there is material information or news which should be disclosed. If rumors or unusual market activity indicate that information on impending developments has become known to the investing public, or if information from a source other than the Company becomes known to the investing public, a clear public announcement may be required as to the state of negotiations or development of Company plans. Such an announcement may be required, even though the Company may not have previously been advised of such information or the matter has not yet been presented to the Company's Board of Directors for consideration. In certain circumstances, it may also be appropriate to publicly deny false or inaccurate rumors, which are likely to have, or have had, an effect on the trading in its securities or would likely have an influence on investment decisions.

Notification to Nasdaq MarketWatch Department

Nasdaq Companies must notify Nasdaq's MarketWatch Department prior to the distribution of certain material news at least ten minutes prior to public announcement of the news when the public release of the information is made from 7:00 a.m. to 8:00 pm. ET. If the public release of

the material information is made outside of 7:00 a.m. to 8:00 p.m, Nasdaq Companies must notify MarketWatch of the material information prior to 6:50 a.m. ET. Except in emergency situations, this notification must be made through Nasdaq's electronic disclosure submission system available at www.nasdaq.net. In emergency situations, Companies may instead provide notification by telephone or facsimile. Examples of an emergency situation include: lack of computer or internet access; technical problems on either the Company or Nasdaq system or an incompatibility between those systems; and a material development such that no draft disclosure document exists, but immediate notification to MarketWatch is important based on the material event.

If a Nasdaq Company repeatedly fails to either notify Nasdaq at least ten minutes prior to the distribution of material news from 7:00 a.m. to 8:00 p.m or prior to 6:50 a.m. ET for material news distributed outside of Regular [m]Market [h]Hours, or repeatedly fails to use the electronic disclosure submission system when Nasdaq finds no emergency situation existed, Nasdaq may issue a Public Reprimand Letter (as defined in Rule 5805(j)) or, in extreme cases, a Staff Delisting Determination (as defined in Rule 5805(h)). In determining whether to issue a Public Reprimand Letter, Nasdaq will consider whether the Company has demonstrated a pattern of failures, whether the Company has been contacted concerning previous violations, and whether the Company has taken steps to assure that future violations will not occur.

* * * * *

5700. Other Securities

* * * * *

5704. Exchange Traded Fund Shares

(a) Exchange Traded Fund Shares

* * * * *

(b) Nasdaq may approve a series of Exchange Traded Fund Shares for listing and trading pursuant to Rule 19b-4(e) under the Securities Exchange Act of 1934, provided each series of Exchange Traded Fund Shares is eligible to operate in reliance on Rule 6c-11 under the Investment Company Act of 1940 and must satisfy the requirements of this Rule 5704 on an initial and continued listing basis.

(1) Initial and Continued Listing. Each series of Exchange Traded Fund Shares must also satisfy the following criteria on an initial and continued listing (except for paragraph (A) below) basis:

(A) Initial Shares Outstanding. For each series of Exchange Traded Fund Shares, Nasdaq will establish a minimum number of Exchange Traded Fund Shares required to be outstanding at the time of commencement of trading on Nasdaq.

* * * * *

(C) Regular [m]Market [session]Hours trading will occur between 9:30 a.m. and either 4:00 p.m. or 4:15 p.m. for each series of Exchange Traded Fund Shares, as specified by Nasdaq. In addition, Nasdaq may designate a series of Exchange Traded Fund Shares for trading during [a]the [p]Pre-[m]Market Hours[session], [beginning at 4:00 a.m.] and/or [a p]Post-[m]Market Hours[session], or Night Session as such terms are defined in Rule 4120[ending at 8:00 p.m].

(D) The minimum price variation for quoting and entry of orders in Exchange Traded Fund Shares is \$0.01.

(2) Suspension of trading and removal. Nasdaq will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series of, a series of Exchange Traded Fund Shares under any of the following circumstances:

* * * * *

5705. Exchange Traded Funds: Portfolio Depository Receipts and Index Fund Shares

(a) Portfolio Depository Receipts

(1) Definitions. The following terms shall, unless the context otherwise requires, have the meanings herein specified:

* * * * *

(3) Equity. Nasdaq may approve a series of Portfolio Depository Receipts for listing and trading pursuant to Rule 19b-4(e) under the Act, provided each of the following criteria is satisfied:

(A) Eligibility Criteria for Index Components.

* * * * *

(B) Index Methodology and Calculation. All requirements set forth in this paragraph must be satisfied on both an initial and continued listing basis.

(i) If the index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor shall erect and maintain a "fire wall" around the personnel who have access to information concerning changes and adjustments to the index and the index shall be calculated by a third party who is not a broker-dealer or fund advisor;

(ii) The current index value for Portfolio Depository Receipts listed pursuant to:

a. Rule 5705(a)(3)(A)(i) will be widely disseminated by one or more major market data vendors at least every 15 seconds during Nasdaq's [r]Regular [m]Market Hours[session].

b. Rule 5705(a)(3)(A)(ii) will be widely disseminated by one or more major market data vendors at least every 60 seconds during Nasdaq's [r]Regular [m]Market Hours[session]; or

c. Rule 5705(a)(3)(A)(iii) will be widely disseminated by one or more major market data vendors at least every 15 seconds with respect to indexes containing only U.S. Component Stocks and at least every 60 seconds with respect to indexes containing Non-U.S. Component Stocks, during Nasdaq's [r]Regular [m]Market Hours[session].

If the index value does not change during some or all of the period when trading is occurring on Nasdaq (for example, for indexes of Non-U.S. Component Stocks because of time zone differences or holidays in the countries where such indexes' component stocks trade), then the last official calculated index value must remain available throughout Nasdaq's trading hours and

(iii) Any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on the index or portfolio composition, methodology and related matters, must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the applicable index.

(C) Disseminated Information. The Reporting Authority will disseminate for each series of Portfolio Depository Receipts an estimate, updated at least every 15 seconds, of the value of a share of each series (the "Intraday Indicative Value") during Nasdaq's [r]Regular [m]Market Hours[session]. The Intraday Indicative Value may be based, for example, upon current information regarding the required deposit of securities and cash amount to permit creation of new shares of the series or upon the index value. The Intraday Indicative Value will be updated at least every 15 seconds during Nasdaq's [r]Regular [m]Market Hours[session] to reflect changes in the exchange rate between the U.S. dollar and the currency in which any component stock is denominated. If the Intraday Indicative Value does not change during some or all of the period when trading is occurring on Nasdaq, then the last official calculated Intraday Indicative Value must remain available throughout Nasdaq's trading hours. All requirements set forth in this paragraph must be satisfied on both an initial and continued listing basis.

(D) Initial Shares Outstanding. A minimum of 100,000 shares of a series of Portfolio Depository Receipts is required to be outstanding at start-up of trading.

(E) Surveillance Procedures. FINRA will implement written and maintain surveillance procedures for Portfolio Depository Receipts.

(F) Creation and redemption. For Portfolio Depository Receipts listed pursuant to Rule 5705(a)(3)(A)(ii) or (iii) above, the statutory prospectus or the application for exemption from provisions of the Investment Company Act of 1940 for the series of Portfolio Depository Receipts must state that the Trust must comply with the federal securities laws in accepting securities for deposits and satisfying redemptions with redemption securities, including that the securities accepted for deposits and the securities used to

satisfy redemption requests are sold in transactions that would be exempt from registration under the Securities Act of 1933.

* * * * *

(5) Nasdaq may approve a series of Portfolio Depositary Receipts based on a combination of indexes or an index or portfolio of component securities representing the U.S. equity market, the international equity market, and the fixed income market for listing and trading pursuant to Rule 19b-4(e) under the Act provided: (i) each index has been reviewed and approved for the trading of options, Portfolio Depositary Receipts, Index Fund Shares, Index-Linked Exchangeable Notes or Index-Linked Securities by the Commission under Section 19(b) of the Act and rules thereunder and the conditions set forth in the Commission's approval order continue to be satisfied; or (ii) each index or portfolio of equity and fixed income component securities separately meets either the criteria set forth in Rule 5705(a)(3) or (4) above. After Nasdaq approves a series for listing and trading pursuant to this paragraph (5), such series of Portfolio Depositary Receipts shall continue to meet the requirements of sections (i) and (ii) in this paragraph (5), as applicable, on a continued listing basis.

(A) Index Methodology and Calculation. All requirements set forth in this paragraph must be satisfied on both an initial and continued listing basis.

(i) If an index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor shall erect and maintain a "fire wall" around the personnel who have access to information concerning changes and adjustments to the index and the index shall be calculated by a third party who is not a broker-dealer or fund advisor;

(ii) The current composite index value will be widely disseminated by one or more major market data vendors at least once every 15 seconds during the [r]Regular [m]Market Hours[session], provided however, that (a) with respect to the Non-U.S. Component Stocks of the combination index, the impact on the index is only required to be updated at least every 60 seconds during the [r]Regular [m]Market Hours[session], and (b) with respect to the fixed income components of the combination index the impact on the index is only required to be updated at least once each day; and

(iii) Any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on index composition, methodology and related matters, must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the applicable index.

(6) The following provisions shall apply to all series of Portfolio Depositary Receipts listed pursuant to Rules 5705(a)(4) and (5) above:

* * * * *

(7) Regular[m]Market Hours[session] trading will occur between 9:30 a.m. and either 4:00 p.m. or 4:15 p.m. for each series of Portfolio Depository Receipts, as specified by Nasdaq. In addition, Nasdaq may designate each series of Portfolio Depository Receipts for trading during a [p]Pre-[m]Market [session]Hours, [beginning at 4:00 a.m.] and/or [a p]Post-[m]Market [session]Hours, or Night Session, as such terms are defined in Rule 4120[ending at 8:00 p.m.].

* * * * *

(9) A Trust upon which a series of Portfolio Depository Receipts is based will be listed and traded on Nasdaq subject to application of the following criteria:

(A) Initial Listing —

* * * * *

(B) Continued Listing —

(i) Nasdaq will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series of, a Trust upon which a series of Portfolio Depository Receipts is based under any of the following circumstances:

a. if any of the requirements set forth in this rule are not continuously maintained; or

* * * * *

e. if the Intraday Indicative Value is no longer disseminated at least every 15 seconds during Nasdaq's [r]Regular [m]Market Hours[session] and the interruption to the dissemination persists past the trading day in which it occurred; or

f. if such other event shall occur or condition exists which in the opinion of Nasdaq, makes further dealings on Nasdaq inadvisable.

Upon termination of a Trust, Nasdaq requires that Portfolio Depository Receipts issued in connection with such Trust be removed from listing. A Trust may terminate in accordance with the provisions of the Trust prospectus, which may provide for termination if the value of securities in the Trust falls below a specified amount.

(C) Term — the stated term of the Trust shall be as stated in the Trust prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(D) Voting — voting rights shall be as set forth in the Trust prospectus. The Trustee of a Trust may have the right to vote all of the voting securities of such Trust.

(10) Nasdaq may submit a rule filing pursuant to Section 19(b) of the Act to permit the listing and trading of Portfolio Depositary Receipts that do not otherwise meet the standards set forth in this rule. Any of the statements or representations regarding the index composition, the description of the portfolio, limitations on portfolio holdings or reference assets, dissemination and availability of the index or intraday indicative values, or the applicability of Nasdaq listing rules specified in such proposals constitute continued listing standards.

* * * * *

(b) Index Fund Shares

(1) Definitions. The following terms shall, unless the context otherwise requires, have the meanings herein specified:

(A) Index Fund Share. The term "Index Fund Share" means a security:

* * * * *

(3) Equity. Nasdaq may approve a series of Index Fund Shares for listing and trading pursuant to Rule 19b-4(e) under the Act provided each of the following criteria is satisfied, on an initial and, except for paragraph (D) below, continued listing basis:

(A) Eligibility Criteria for Index Components.

* * * * *

(B) Index Methodology and Calculation. All requirements set forth in this paragraph must be satisfied on both an initial and continued listing basis.

(i) If the index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor shall erect and maintain a "fire wall" around the personnel who have access to information concerning changes and adjustments to the index and the index shall be calculated by a third party who is not a broker-dealer or fund advisor;

(ii) The current index value for Index Fund Shares listed pursuant to:

- a.** Rule 5705(b)(3)(A)(i) will be widely disseminated by one or more major market data vendors at least every 15 seconds during Nasdaq's [r]Regular [m]Market Hours[session];
- b.** Rule 5705(b)(3)(A)(ii) will be widely disseminated by one or more major market data vendors at least every 60 seconds during Nasdaq's [r]Regular [m]Market Hours[session]; or
- c.** Rule 5705(b)(3)(A)(iii) will be widely disseminated by one or more major market data vendors at least every 15 seconds with respect to indexes containing only U.S. Component

Stocks and at least every 60 seconds with respect to indexes containing Non-U.S. Component Stocks, during Nasdaq's [r]Regular [m]Market Hours[session].

If the index value does not change during some or all of the period when trading is occurring on Nasdaq (for example, for indexes of Non-U.S. Component Stocks because of time zone differences or holidays in the countries where such indexes' component stocks trade), then the last official calculated index value must remain available throughout Nasdaq's [trading] Regular Market [h]Hours; and

(iii) Any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on the index or portfolio composition, methodology and related matters, must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the applicable index.

(C) Disseminated Information. Where a series of Index Fund Shares does not publish its Portfolio Holdings on its website on a daily basis, the Reporting Authority will disseminate for each series of Index Fund Shares an estimate, updated at least every 15 seconds, of the value of a share of each series (the "Intraday Indicative Value") during Nasdaq's [r]Regular [m]Market Hours[session]. The Intraday Indicative Value may be based, for example, upon current information regarding the required deposit of securities and cash amount to permit creation of new shares of the series or upon the index value. The Intraday Indicative Value will be updated at least every 15 seconds during Nasdaq's [r]Regular [m]Market Hours[session]; to reflect changes in the exchange rate between the U.S. dollar and the currency in which any component stock is denominated. If the Intraday Indicative Value does not change during some or all of the period when trading is occurring on Nasdaq, then the last official calculated Intraday Indicative Value must remain available throughout Nasdaq's trading hours. All requirements set forth in this paragraph must be satisfied on an initial and continued listing basis. Where a series of Index Fund Shares publishes its Portfolio Holdings on its website on a daily basis, there is no obligation to disseminate an Intraday Indicative Value.

(D) Initial Shares Outstanding. A minimum of 100,000 shares of a series of Index Fund Shares is required to be outstanding at start-up of trading.

* * * * *

(4) Fixed Income. Fixed Income Securities are debt securities that are notes, bonds, debentures or evidence of indebtedness that include, but are not limited to, U.S. Department of Treasury securities ("Treasury Securities"), government-sponsored entity securities ("GSE Securities"), municipal securities, trust preferred securities, supranational debt and debt of a foreign country or subdivision thereof. Nasdaq may approve a series of Index Fund Shares based on Fixed Income Securities for listing and trading pursuant to Rule 19b-4(e) under the Act provided such portfolio or index: (i) has been reviewed and approved for the trading of options, Portfolio Depository Receipts, Index Fund Shares, Index-Linked Exchangeable Notes or Index-Linked Securities by the Commission under Section 19(b) of

the Act and the rules thereunder and the conditions set forth in the Commission's approval order continue to be satisfied; or (ii) the following criteria are satisfied:

(A) Eligibility Criteria for Index Components. Components of an index or portfolio that underlies a series of Index Fund Shares listed pursuant to Rule 19b-4(e) under the Act shall meet the following criteria on an initial and continued listing basis:

* * * * *

(5) Nasdaq may approve a series of Index Fund Shares based on a combination of indexes or an index or portfolio of component securities representing the U.S. equity market, the international equity market, and the fixed income market for listing and trading pursuant to Rule 19b-4(e) under the Act provided: (i) such portfolio or combination of indexes has been reviewed and approved for the trading of options, Portfolio Depository Receipts, Index Fund Shares, Index-Linked Exchangeable Notes or Index-Linked Securities by the Commission under Section 19(b) of the Act and rules thereunder and the conditions set forth in the Commission's approval order continue to be satisfied; or (ii) each index or portfolio of equity and fixed income component securities separately meets either the criteria set forth in Rule 5705(b)(3) or (4) above. After Nasdaq approves a series for listing and trading pursuant to this paragraph (5), such series of Index Fund Shares shall continue to meet the requirements of sections (i) and (ii) in this paragraph (5), as applicable, on a continued listing basis.

(A) Index Methodology and Calculation. All requirements set forth in this paragraph must be satisfied on both an initial and continued listing basis.

(i) If an index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor shall erect and maintain a "fire wall" around the personnel who have access to information concerning changes and adjustments to the index and the index shall be calculated by a third party who is not a broker-dealer or fund advisor;

(ii) The current composite index value will be widely disseminated by one or more major market data vendors at least once every 15 seconds during [r]Regular [m]Market Hours[session], provided however, that (a) with respect to the Non-U.S. Component Stocks of the combination index, the impact on the index is only required to be updated at least every 60 seconds during the [r]Regular [m]Market Hours[session], and (b) with respect to the fixed income components of the combination index the impact on the index is only required to be updated at least once each day; and

(iii) Any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on index composition, methodology and related matters, must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the applicable index.

(6) The following provisions shall apply to all series of Index Fund Shares listed pursuant Rules 5705(b)(4) and (5) above on an initial and, except for paragraph (B) below, continued listing basis:

* * * * *

(7) Regular [m]Market Hours[session] trading will occur between 9:30 a.m. and either 4:00 p.m. or 4:15 p.m. for each series of Index Fund Shares, as specified by Nasdaq. In addition, Nasdaq may designate each series of Index Fund Shares for trading during [a p]Pre-[m]Market [session]Hours, [beginning at 4:00 a.m. and/or a p]Post-[m]Market [session]Hours, [ending at 8:00 p.m.], or Night Session, as such terms are defined in Rule 4120.

* * * * *

(9) Each series of Index Fund Shares will be listed and traded on Nasdaq subject to application of the following criteria:

(A) Initial Listing —

* * * * *

(B) Continued Listing —

(i) Nasdaq will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series of, a series of Index Fund Shares under any of the following circumstances:

a. if any of the requirements set forth in this rule are not continuously maintained;

* * * * *

e. if the Intraday Indicative Value, if applicable, is no longer disseminated at least every 15 seconds during Nasdaq's [r]Regular [m]Market Hours[session] and the interruption to the dissemination persists past the trading day in which it occurred; or

f. if such other event shall occur or condition exists which in the opinion of Nasdaq, makes further dealings on Nasdaq inadvisable.

Upon termination of an open-end management investment company, Nasdaq requires that Index Fund Shares issued in connection with such entity be removed from listing.

(C) Voting — voting rights shall be as set forth in the applicable open-end management investment company prospectus.

(10) Nasdaq may submit a rule filing pursuant to Section 19(b) of the Act to permit the listing and trading of Index Fund Shares that do not otherwise meet the standards set forth in this rule. Any of the statements or representations regarding (a) the index composition; (b) the description of the portfolio; (c) limitations on portfolio holdings or reference assets; (d) dissemination and availability of the index or intraday indicative values; or (e) the applicability of Nasdaq listing rules specified in such proposals constitute continued listing standards.

* * * * *

5710. Securities Linked to the Performance of Indexes and Commodities (Including Currencies)

Nasdaq will consider for listing and trading equity index-linked securities ("Equity Index-Linked Securities") and commodity-linked securities ("Commodity-Linked Securities"), fixed income index-linked securities ("Fixed Income Index-Linked Securities"), futures-linked securities ("Futures-Linked Securities") and multifactor index-linked securities ("Multifactor Index-Linked Securities" and, together with Equity Index-Linked Securities, Commodity-Linked Securities, Fixed Income Index-Linked Securities and Futures-Linked Securities, "Linked Securities") that in each case meet the applicable criteria of this Rule.

* * * * *

Linked Securities may or may not provide for the repayment of the original principal investment amount. Nasdaq will consider Linked Securities for listing and trading pursuant to Rule 19b-4(e) under the Act, provided:

(a) Both the issue and the issuer of such security initially meet and continuously maintain the criteria for other securities set forth in Rule 5730(a), except that if the security is traded in \$1,000 denominations or is redeemable at the option of holders thereof on at least a weekly basis, then no minimum number of holders and no minimum public distribution of trading units shall be required..

* * * * *

(g) Maintenance and Dissemination—(i) If the index is maintained by a broker-dealer, the broker-dealer shall erect and maintain a "fire wall" around the personnel who have access to information concerning changes and adjustments to the index and the index shall be calculated by a third party who is not a broker-dealer. (ii) Unless the Commission order applicable under paragraph (k) or (l) hereof provides otherwise, the current value of the index or the Reference Asset (as applicable) will be widely disseminated at least every 15 seconds during Nasdaq's [r]Regular [m]Market Hours[session], except as provided in the next clause (iii). (iii) The values of the following indexes need not be calculated and widely disseminated at least every 15 seconds if, after the close of trading, the indicative value of the Equity Index-Linked Security based on one or more of such indexes is calculated and disseminated to provide an updated value: CBOE S&P 500 BuyWrite Index(sm), CBOE DJIA Buy Write Index(sm),

CBOE Nasdaq-100 BuyWrite Index(sm). (iv) If the value of a Linked Security is based on more than one index, then the dissemination requirement of this paragraph (g) applies to the composite value of such indexes. (v) In the case of a Commodity-Linked Security that is periodically redeemable, the indicative value of the subject Commodity-Linked Security must be calculated and widely disseminated by one or more major market data vendors on at least a 15-second basis during Nasdaq's [r]Regular [m]Market Hours[session]. The provisions of sections (ii), (iii) and (v) of this paragraph shall be satisfied on an initial and continued listing basis.

(h) Trading Halts. In the case of Linked Securities, if the indicative value (if required to be disseminated) or the Reference Asset value is not being disseminated as required, or if the value of the index is not being disseminated as required, Nasdaq may halt trading during the day on which such interruption occurs. Nasdaq will halt trading no later than the beginning of trading following the trading day when the interruption commenced if such interruption persists at this time.

(i) Surveillance Procedures. FINRA will implement and maintain on behalf of Nasdaq written surveillance procedures for Linked Securities. Nasdaq will enter into adequate comprehensive surveillance sharing agreements for non-U.S. securities, as applicable.

(j) Linked Securities will be treated as equity instruments. Furthermore, for the purpose of fee determination, Linked Securities shall be deemed and treated as Other Securities.

(k) Linked Securities

(i) Equity Index-Linked Securities Criteria

* * * * *

(iv) Futures-Linked Securities Listing Standards

(A) The issue must meet the initial listing standard set forth in either (1) or (2) below:

* * * * *

(B) In addition, the issue must meet both of the following initial listing criteria:

(1) the value of the Futures Reference Asset must be calculated and widely disseminated by one or more major market data vendors on at least a 15-second basis during [the]Regular Market [Session]Hours (as defined in Rule 4120); and

(2) in the case of Futures-Linked Securities that are periodically redeemable, the value of a share of each series (the "Intraday Indicative Value") of the subject Futures-Linked Securities must be calculated and widely disseminated by Nasdaq or one or more major market data vendors on at least a 15-second basis during [the]Regular Market [Session]Hours (as defined in Rule 4120).

(C) The issue must meet the following continued listing criteria:

* * * * *

5711. Trading of Certain Derivative Securities

(a) Index-Linked Exchangeable Notes

Index-Linked Exchangeable Notes which are exchangeable debt securities that are exchangeable at the option of the holder (subject to the requirement that the holder in most circumstances exchange a specified minimum amount of notes), on call by the issuer or at maturity for a cash amount (the "Cash Value Amount") based on the reported market prices of the underlying stocks of an underlying index will be considered for listing and trading by Nasdaq pursuant to Rule 19b-4(e) under the Act, provided:

(i) Both the issue and the issuer of such security initially meet and continuously maintain the requirements of Rule 5730, Listing Requirements for Securities Not Specified Above (Other Securities), except that the minimum public distribution shall be 150,000 notes with a minimum of 400 public note-holders, except, if traded in thousand dollar denominations or redeemable at the option of the holders thereof on at least a weekly basis, then no minimum public distribution and no minimum number of holders.

* * * * *

(v) Index-Linked Exchangeable Notes will be treated as equity instruments.

(vi) This section contains the continued listing requirements for Index-Linked Exchangeable Notes. If a series of Index-Linked Exchangeable Notes does not satisfy these requirements, Nasdaq may halt trading in the securities and will initiate delisting proceedings pursuant to the Rule 5800 Series.

a. The Intraday Indicative Value of the subject Index-Linked Exchangeable Notes must be calculated and widely disseminated by Nasdaq or one or more major market data vendors on at least a 15- second basis during [the]Regular Market [Session]Hours (as defined in Rule 4120). For purposes of this Rule, the term "Intraday Indicative Value" means an estimate of the value of a note or a share of the series of Index-Linked Exchangeable Notes. If an interruption to the dissemination persists past the trading day in which it occurred, Nasdaq may halt trading in the securities and will initiate delisting proceedings pursuant to the Rule 5800 Series.

b. The value of the underlying index must be publicly available to investors, on a real time basis, every 15 seconds. If an interruption to the dissemination persists past the trading day in which it occurred, Nasdaq may halt trading in the securities and will initiate delisting proceedings pursuant to the Rule 5800 Series.

*** * * * *(d) Commodity-Based Trust Shares**

(i) Nasdaq will consider for trading, whether by listing or pursuant to unlisted trading privileges, Commodity-Based Trust Shares that meet the criteria of this Rule. The Exchange may list and/or trade Commodity-Based Trust Shares pursuant to Rule 19b-4(e) under the Act or may submit a rule filing pursuant to Section 19(b) of the Act to permit the listing and trading of Commodity-Based Trust Shares that do not meet the standards set forth in this Rule 5711(d) on an initial or a continuing basis. All statements or representations contained in such rule filing regarding: (1) the description of the index, trust holdings, or reference assets, (2) limitations on the index, trust holdings, or reference assets, (3) dissemination and availability of the index, trust holdings, reference assets or Intraday Indicative Values (as defined below) or (4) the applicability of Exchange listing rules specified in such rule filing will constitute continued listing requirements. An issuer of such securities must notify the Exchange of any failure to comply with such continued listing requirements. If Commodity-Based Trust Shares do not satisfy these requirements, the Exchange may suspend trading in the Trust shares and will initiate delisting proceedings under the Rule 5800 Series.

* * * * *

(v) **Disclosed Information.** The Trust must disclose prominently on its website, which is publicly available and free of charge, the following information:

(A) Before the opening of regular trading on the Exchange, for the Trust's commodities, commodity-based assets, securities, cash and cash equivalent, to the extent applicable:

- (1) ticker symbol;
- (2) identifier;
- (3) description of the holding;
- (4) the quantity of each commodity, commodity-based asset, security, cash, and cash equivalent held; and
- (5) percentage weighting of the Trust's assets.

(B) The Trust's current net asset value per share, market price, and premium or discount, each as of the end of the prior business day.

(C) A table showing the number of days the Trust's shares traded at a premium or discount during the most recently completed calendar year and the most recently completed calendar quarters since that year (or the life of the Trust, if shorter).

(D) A line graph showing the Trust share's premiums or discounts for the most recently completed calendar year and the most recently completed calendar quarters since that year (or the life of the Trust, if shorter).

(E) The Trust share's median-ask spread, expressed as a percentage rounded to the nearest hundredth, computed by:

(1) identifying the Trust share's national best bid and national best offer as of the end of each 10 second interval during each trading day of the last 30 calendar days;

(2) dividing the difference between each such bid and offer by the midpoint of the national best bid and national best offer; and

(3) identifying the median of those values.

(F) Liquidity risk policies and procedures as described in paragraph (vii) below of this Rule.

(G) The Trust's methodology for the calculation of its net asset value.

(H) The Trust's trading volume for the previous day; and

(I) The Trust's effective prospectus, in a form available for download.

(vi) The Trust may not seek, directly or indirectly, to provide investment returns that correspond to the performance of an index, benchmark, or reference value by a specified multiple, or to provide investment returns that have an inverse or multiple inverse relationship to the performance of an index, benchmark, or reference value, over a predetermined period of time.

(vii) **Liquidity risk policies and procedures.** If a Trust has on a daily basis less than 85% of its assets readily available to meet redemption requests, the Trust must have written liquidity risk policies and procedures reasonably designed to address the risk that it could not meet requests to redeem shares issued by the Trust without significant dilution of remaining shareholders' interest in the Trust. Such policies and procedures must be periodically reviewed (with such review occurring no less frequently than annually) by the Trust and must address the following, as applicable. For purposes of this Rule, an asset is deemed not readily available to meet redemption requests if it is segregated, pledged, hypothecated, encumbered or otherwise restricted or prevented from being liquidated, sold, transferred, or assigned within one business day.

(A) The Trust's investment strategy and liquidity of the Trust's assets during normal and stressed conditions, including holdings in derivatives and whether the investment strategy is appropriate for effective and efficient arbitrage.

(B) Holdings of cash and cash equivalents, as well as borrowing arrangements and other funding sources.

(C) Percentage and description of the Trust's assets that are segregated, pledged, hypothecated, encumbered, or otherwise restricted or prevented from being liquidated, sold, transferred or assigned.

(viii) **Initial and Continued Listing.** Commodity-Based Trust Shares will be listed and/or traded on Nasdaq subject to application of the following criteria:

(A) Initial Listing

(1) Nasdaq will establish a minimum number of Commodity-Based Trust Shares required to be outstanding at the time of commencement of trading on Nasdaq; and

(2) All Commodity-Based Trust Shares shall have a stated investment objective, which shall be adhered to under normal market conditions.

(B) Continued Listing. Nasdaq will maintain surveillance procedures for Trust shares listed under this Rule and will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series of, such series under any of the following circumstances:

(1) if following the initial 12 month period following commencement of trading on Nasdaq:

a. the Trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Commodity-Based Trust Shares;

b. if the Trust has fewer than 50,000 Trust shares issued and outstanding; or

c. if the market value of all Trust shares issued and outstanding is less than \$1,000,000;

(2) if an interruption to the dissemination of the value of the underlying reference asset(s) or index persists past the trading day in which it occurred or is no longer calculated or made widely available on at least a 15-second basis from a source unaffiliated with the sponsor or the Trust.

(3) if an interruption to the dissemination of the Intraday Indicative Value persists past the trading day in which it occurred or is no longer made widely available to all market participants at the same time on at least a 15-second basis during the Regular Market [Session]Hours;

(4) the net asset value is not calculated at least once daily or made widely available to all market participants at the same time;

(5) the information as set forth in this Rule is no longer being disclosed in accordance with the requirements of paragraph (v) above;

(6) the Exchange submits a rule filing pursuant to Section 19(b) of the Securities Exchange Act of 1934 to permit the listing and trading of Commodity-Based Trust Shares that do not otherwise meet the standards set forth in this Rule 5711(d) and such series of Commodity-Based Trust Shares is not in compliance with any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the index, reference assets or trust holdings; (b) limitations on the index, reference assets or trust holdings; (c) dissemination and availability of the index, reference asset or Intraday Indicative Values; or (d) the applicability of Nasdaq listing rules specified in such proposals;

(7) if any of the requirements set forth in this rule are not continuously maintained; or

(8) if such other event shall occur or condition exists which, in the opinion of Nasdaq, makes further dealings on Nasdaq inadvisable.

Upon termination of a Trust, Nasdaq requires that Commodity-Based Trust Shares issued in connection with such Trust be removed from Nasdaq listing. A Trust may terminate in accordance with the provisions of the Trust prospectus, which may provide for termination if the value of the Trust falls below a specified amount.

(ix) Trading Halt.

(A) The Exchange may halt trading during the day in which the interruption to the following occurs. If the interruption persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. If Commodity-Based Trust Shares are trading on the Exchange pursuant to unlisted trading privileges, the Exchange will halt trading as specified in Equity 4, Rule 4120(b).

(1) the value of the underlying reference asset(s) or index is not made widely available on at least a 15-second basis from a source unaffiliated with the sponsor or the Trust;

(2) the Intraday Indicative Value is not made widely available to all market participants at the same time on at least a 15-second basis during [the]Regular Market [Session]Hours; or

(3) the information as set forth in this Rule is not being disclosed in accordance with the requirements of paragraph (v) above.

(B) If the Exchange becomes aware that the net asset value is not disseminated to all market participants at the same time, it will halt trading in the Commodity-Based Trust Shares until such time as the net asset value is available to all market participants.

* * * * *

(e) Currency Trust Shares

(i) Nasdaq will consider for listing and trading Currency Trust Shares that meet the criteria of this Rule.

* * * * *

(vi) Initial and Continued Listing. Currency Trust Shares will be listed and traded on Nasdaq subject to application of the following criteria:

(A) Initial Listing — Nasdaq will establish a minimum number of Currency Trust Shares required to be outstanding at the time of commencement of trading on Nasdaq.

(B) Continued Listing Nasdaq will consider the suspension of trading in and will initiate delisting proceedings under the Rule 5800 Series of, such series under any of the following circumstances

(1) if following the initial 12 month period following commencement of trading on Nasdaq:

a. the Trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Currency Trust Shares;

b. if the Trust has fewer than 50,000 Currency Trust Shares issued and outstanding; or

c. if the market value of all Currency Trust Shares issued and outstanding is less than \$1,000,000;

(2) if an interruption to the dissemination of the value of the applicable non-U.S. currency persists past the trading day in which it occurred or is no longer calculated or available on at least a 15-second delayed basis by Nasdaq or one or more major market data vendors during [the]Regular Market [Session]Hours (as defined in Nasdaq Rule 4120);

(3) if an interruption to the dissemination of the Intraday Indicative Value persists past the trading day in which it occurred or is no longer made available on at least a 15-second delayed basis;

(4) If Nasdaq files separate proposals under Section 19(b) of the Act, any statements or representations included in the applicable rule proposal under Section 19(b)

regarding: (a) the description of the reference assets or trust holdings; (b) limitations on reference assets or trust holdings; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals are not satisfied on a continued listing basis;

(5) if any of the requirements set forth in this rule are not continuously maintained; or

(6) if such other event shall occur or condition exists which in the opinion of Nasdaq makes further dealings on Nasdaq inadvisable.

Upon termination of a Trust, Nasdaq requires that Currency Trust Shares issued in connection with such entity Trust be removed from Nasdaq listing. A Trust may terminate in accordance with the provisions of the Trust prospectus, which may provide for termination if the value of the Trust falls below a specified amount.

(C) Term —The stated term of the Trust shall be as stated in the Trust prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(D) Trustee —The following requirements apply on an initial and continued listing basis:

(1) The trustee of a Trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee.

(2) No change is to be made in the trustee of a listed issue without prior notice to and approval of Nasdaq.

(E) Voting —Voting rights shall be as set forth in the applicable Trust prospectus.

(vii) Limitation of Nasdaq Liability. Neither Nasdaq nor any agent of Nasdaq shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any applicable non-U.S. currency value; the current value of the applicable non-U.S. currency required to be deposited to the Trust in connection with issuance of Currency Trust Shares; net asset value; or any other information relating to the purchase, redemption, or trading of the Currency Trust Shares, resulting from any negligent act or omission by Nasdaq, or any agent of Nasdaq, or any act, condition or cause beyond the reasonable control of Nasdaq, its agent, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reports of transactions in an applicable non-U.S. currency.

(viii) Market Maker Accounts. A registered Market Maker in Currency Trust Shares must file with Nasdaq, in a manner prescribed by Nasdaq, and keep current a list identifying all accounts for trading in the applicable non-U.S. currency, options, futures or options on futures on such currency, or any other derivatives based on such currency, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker shall trade in the applicable non-U.S. currency, options, futures or options on futures on such currency, or any other derivatives based on such currency, in an account in which a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to Nasdaq as required by this Rule .

In addition to the existing obligations under Nasdaq rules regarding the production of books and records (see e.g., Rule 4625), a registered Market Maker in Currency Trust Shares shall make available to Nasdaq such books, records or other information pertaining to transactions by such entity or registered or non-registered employee affiliated with such entity for its or their own accounts for trading the applicable non-U.S. currency, options, futures or options on futures on such currency, or any other derivatives based on such currency, as may be requested by Nasdaq.

Commentary:

.01 A Currency Trust Share is a Trust Issued Receipt that holds a specified non-U.S. currency or currencies deposited with the Trust.

* * * * *

.04 Nasdaq may approve an issue of Currency Trust Shares for listing and/or trading pursuant to Rule 19b-4(e) under the Act. Such issue shall satisfy the criteria set forth in this rule on an initial and, except for paragraph (a) below, continued listing basis, provided that, for issues approved for trading pursuant to unlisted trading privileges, only paragraphs (b), (c), and (d) below are required to be satisfied. If an interruption to the dissemination required by paragraphs (b) or (c) persists past the trading day in which it occurred or paragraph (d) is not maintained, Nasdaq may halt trading in the securities and will initiate delisting proceedings pursuant to the Rule 5800 Series.

(a) a minimum of 100,000 shares of a series of Currency Trust Shares is required to be outstanding at commencement of trading;

(b) the value of the applicable non-U.S. currency, currencies or currency index must be disseminated by one or more major market data vendors on at least a 15-second delayed basis;

(c) the Intraday Indicative Value must be calculated and widely disseminated by Nasdaq or one or more major market data vendors on at least a 15-second basis during [the]Regular Market [Session]Hours (as defined in Nasdaq Rule 4120); and

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(g) Commodity Futures Trust Shares

(i) Nasdaq will consider for trading, whether by listing or pursuant to unlisted trading privileges, Commodity Futures Trust Shares that meet the criteria of this Rule.

* * * * *

(vi) Initial and Continued Listing . Commodity Futures Trust Shares will be listed and traded on Nasdaq subject to application of the following criteria:

(A) Initial Listing—Nasdaq will establish a minimum number of Commodity Futures Trust Shares required to be outstanding at the time of commencement of trading on Nasdaq.

(B) Continued Listing—Nasdaq will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series of, a series of Commodity Futures Trust Shares under any of the following circumstances:

(1) if, following the initial twelve-month period beginning upon the commencement of trading of the Commodity Futures Trust Shares: (a) the Trust has fewer than 50,000 Commodity Futures Trust Shares issued and outstanding; or (b) the market value of all Commodity Futures Trust Shares issued and outstanding is less than \$1,000,000; or (c) there are fewer than 50 record and/or beneficial holders of Commodity Futures Trust Shares;

(2) if an interruption to the dissemination of the value of the underlying futures contracts persists past the trading day in which it occurred or is no longer calculated or available on at least a 15-second delayed basis during Nasdaq's Regular Market [Session]Hours (as defined in Nasdaq Rule 4120) from a source unaffiliated with the sponsor, the Trust or the trustee of the Trust;

(3) if the net asset value for the Trust is no longer disseminated to all market participants at the same time;

(4) if an interruption to the dissemination of the Intraday Indicative Value persists past the trading day in which it occurred or is no longer disseminated on at least a 15-second delayed basis during Nasdaq's Regular Market [Session]Hours (as defined in Nasdaq Rule 4120);

(5) if the Commodity Futures Trust Shares do not comply with any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the reference assets or trust holdings; (b) limitations on reference assets or trust holdings; (c) dissemination and availability of the

reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals;

* * * * *

(h) Partnership Units

(i) Nasdaq will consider for trading, whether by listing or pursuant to unlisted trading privileges, Partnership Units that meet the criteria of this Rule.

* * * * *

(v) Initial and Continued Listing. Partnership Units will be listed and/or traded on Nasdaq subject to application of the following criteria:

(A) Initial Listing—Nasdaq will establish a minimum number of Partnership Units required to be outstanding at the time of commencement of trading on Nasdaq.

(B) Continued Listing—Nasdaq will consider the suspension of trading in and will initiate delisting proceedings under the Rule 5800 Series of Partnership Units under any of the following circumstances:

(1) if following the initial twelve month period following the commencement of trading of Partnership Units, (a) the partnership has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Partnership Units; (b) the partnership has fewer than 50,000 Partnership Units issued and outstanding; or (c) the market value of all Partnership Units issued and outstanding is less than \$1,000,000;

(2) if an interruption to the dissemination of the value of the underlying benchmark investment, commodity or asset persists past the trading day in which it occurred or is no longer calculated or available on at least a 15-second delayed basis by Nasdaq or one or more major market data vendors during the Regular Market [Session]Hours (as defined in Nasdaq Rule 4120);

(3) if an interruption to the dissemination of the Intraday Indicative Value persists past the trading day in which it occurred or is no longer made available on at least a 15-second delayed basis;

(4) if the Partnership Units do not comply with any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the portfolio or reference assets; (b) limitations on portfolio holdings or reference assets; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals;

(5) if any of the requirements set forth in this rule are not continuously maintained;
or

(6) if such other event shall occur or condition exists which in the opinion of Nasdaq makes further dealings on Nasdaq inadvisable.

Upon termination of a partnership, Nasdaq requires that Partnership Units issued in connection with such partnership be removed from Nasdaq listing. A partnership will terminate in accordance with the provisions of the partnership prospectus.

(C) Term—The stated term of the partnership shall be as stated in the prospectus. However, such entity may be terminated under such earlier circumstances as may be specified in the Partnership prospectus.

(D) General Partner—The following requirements apply on an initial and continued listing basis:

* * * * *

5713. Paired Class Shares

(a) Nasdaq will consider for trading, whether by listing or pursuant to unlisted trading privileges, Paired Class Shares that meet the criteria of this Rule.

* * * * *

(g) Initial and Continued Listing. Paired Class Shares will be listed and traded on Nasdaq subject to application of the following criteria:

(i) Initial Listing

(A) Nasdaq will establish a minimum number of Paired Class Shares for each Fund required to be outstanding at the time of commencement of trading on Nasdaq;

(B) Nasdaq will obtain a representation from the Trust on behalf of each Fund that the underlying value per share of each Up Share and Down Share will be calculated daily and that these underlying values and information about the assets of the Fund will be made available to all market participants at the same time; and

(C) If the Underlying Benchmark is maintained by a broker-dealer or investment advisor, the broker-dealer or investment advisor shall erect and maintain a "firewall" around the personnel who have access to information concerning changes and adjustments to the Underlying Benchmark.

- (ii) Continued Listing—Nasdaq will consider the suspension of trading in and will initiate delisting proceedings under the Rule 5800 Series of a Fund's Paired Class Shares under any of the following circumstances:
- (A) if, following the initial twelve-month period beginning upon the commencement of trading of the Paired Class Shares: (i) there are fewer than 50 record and/or beneficial holders of the Fund's Up Shares or Down Shares; (ii) the Fund has fewer than 50,000 Up Shares or 50,000 Down Shares issued and outstanding; or (iii) the combined market value of all shares of a Fund issued and outstanding is less than \$1,000,000;
 - (B) if an interruption to the dissemination of the intraday level of the Underlying Benchmark persists past the trading day in which it occurred, or a substitute or replacement Underlying Benchmark based on the same Reference Asset, is no longer calculated or available on at least a 15-second delayed basis during the Regular Market [Session]Hours from a source unaffiliated with the sponsor, the custodian, the trustee of the Trust, the Fund or Nasdaq that is a major market data vendor (e.g., Reuters or Bloomberg);
 - (C) if the underlying value per share of each Up Share and Down Share of a Fund is no longer made available on a daily basis to all market participants at the same time;
 - (D) if an interruption to the dissemination of the estimate of the value of a share of the series of Paired Class Shares (the "Intraday Indicative Value") of the underlying value of each listed Up Share and Down Share of the Fund persists past the trading day in which it occurred or is no longer made available on at least a 15-second delayed basis by a major market vendor during the Regular Market [Session]Hours;
 - (E) if the "fire wall" erected around the personnel who have access to information concerning changes and adjustments to the Underlying Benchmark is no longer in place;
 - (F) if Paired Class Shares no longer comply with any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the portfolio or reference assets; (b) limitations on portfolio holdings or reference assets; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals;
 - (G) if any of the requirements set forth in this rule are not continuously maintained; or
 - (H) if such other event shall occur or condition exists which in the opinion of Nasdaq makes further dealings on Nasdaq inadvisable.
- (iii) Term - The stated term of a Fund shall be as stated in the Fund prospectus. However, a Fund may be terminated under such earlier circumstances as may be specified in the Fund prospectus.
- (iv) Trustee - The following requirements apply on an initial and continued listing basis:

(A) The trustee of a Trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee; and

(B) No change is to be made in the trustee of a listed issue without prior notice to and approval of Nasdaq.

(v) Voting - Voting rights, if any, shall be as set forth in the applicable Fund prospectus.

(h) Limitation of Nasdaq Liability. Neither Nasdaq nor any agent of Nasdaq shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any applicable Underlying Benchmark value; the underlying value of the Fund and its Paired Class Shares; distribution values or any other information relating to the purchase, redemption, or trading of the Paired Class Shares, resulting from any negligent act or omission by Nasdaq, or any agent of Nasdaq, or any act, condition or cause beyond the reasonable control of Nasdaq or its agent, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reports of transactions in the applicable positions or interests.

(i) Market Maker Accounts.

(i) A registered Market Maker in Paired Class Shares must file with Nasdaq in a manner prescribed by Nasdaq and keep current a list identifying all accounts for trading in the applicable securities or physical commodities included in, or options, futures or options on futures on, the Reference Asset of the Underlying Benchmark of any Paired Class Shares or any other derivatives based on such Reference Asset or based on any security or Reference Asset included in the Underlying Benchmark, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker shall trade in the applicable securities or physical commodities included in, or options, futures or options on futures on, the Reference Asset of the Underlying Benchmark of any Paired Class Shares or any other derivatives based on such Reference Asset or based on any security or Reference Asset included in the Underlying Benchmark, in an account in which a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to Nasdaq as required by this Rule.

(ii) In addition to the existing obligations under Nasdaq rules regarding the production of books and records, (see e.g., Rule 4625), a registered Market Maker in Paired Class Shares shall make available to Nasdaq such books, records or other information pertaining to transactions by such entity or registered or non-registered employee affiliated with such entity for its or their own accounts for trading the applicable securities or physical commodities included in, or options, futures or options on futures on, the Reference Asset of the Underlying Benchmark of any Paired Class Shares or any other derivatives based on

such Reference Asset or based on any security or Reference Asset included in the Underlying Benchmark, as may be requested by Nasdaq.

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5745. Exchange-Traded Managed Fund Shares ("NextShares")

(a) Nasdaq will consider listing NextShares that meet the criteria of Rule 5745.

(b) **Applicability.** Rule 5745 is applicable only to NextShares. Except to the extent inconsistent with Rule 5745, or unless the context otherwise requires, the rules and procedures of the Board of Directors shall be applicable to the trading on Nasdaq of such securities. NextShares are included within the definition of "security" or "securities" as such terms are used in the Rules of Nasdaq.

(1) Nasdaq will file separate proposals under Section 19(b) of the Act before the listing of NextShares. Any statements or representations included in the applicable rule proposal under Section 19(b) regarding: (a) the description of the portfolio or reference assets; (b) limitations on portfolio holdings or reference assets; (c) dissemination and availability of the reference asset or intraday indicative values; or (d) the applicability of Nasdaq listing rules specified in such proposals shall constitute continued listing standards.

(2) Transactions in NextShares will occur during the Regular Market [Session]Hours through 4:00 p.m.

(3) **NAV-Based Trading.** NextShares will trade on Nasdaq at market-determined premiums or discounts to the NextShares Fund's next-determined net asset value per share. All bids, offers and execution prices will be expressed as a premium/discount (which may be zero) to the next-determined net asset value per share ("NAV-Based Trading"). The minimum price variation for quoting and entry of orders in NextShares is \$0.01. Trade executions will be binding at the time that orders are matched, with the transaction price contingent upon the next-determined net asset value per share. After the Reporting Authority calculates the net asset value, Nasdaq will price each transaction at the agreed premium or discount to net asset value and deliver the trading data for clearance and settlement.

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(d) **Initial and Continued Listing** — NextShares will be listed and traded on Nasdaq subject to application of the following criteria:

(1) **Initial Listing** — Each series of NextShares will be listed and traded on Nasdaq subject to application of the following initial listing criteria:

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(2) Continued Listing — Each series of NextShares will be listed and traded on Nasdaq subject to application of the following continued listing criteria:

(A) Intraday Indicative Value. The Intraday Indicative Value for the NextShares will be widely disseminated by one or more major market data vendors at intervals of not more than 15 minutes during the Regular Market [Session]Hours when the NextShares trade on Nasdaq.

(B) If the investment adviser to a NextShares Fund issuing NextShares is a registered broker-dealer or is affiliated with a broker-dealer, such investment adviser shall erect and maintain a "fire wall" between the investment adviser and the broker-dealer personnel or broker-dealer affiliate, as applicable, with respect to access to information concerning the composition and/or changes to such NextShares Fund's portfolio holdings. Personnel who make decisions on the NextShares Fund's portfolio composition must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the applicable NextShares Fund portfolio.

(C) Suspension of trading or removal. Nasdaq will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series of, a series of NextShares under any of the following circumstances:

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5760. Managed Portfolio Shares

(a) The Exchange will consider for trading, whether by listing or pursuant to unlisted trading privileges, Managed Portfolio Shares that meet the criteria of this Rule.

(b) Applicability. This Rule is applicable only to Managed Portfolio Shares. Except to the extent inconsistent with this Rule, or unless the context otherwise requires, the rules and procedures of the Board of Directors shall be applicable to the trading on the Exchange of such securities. Managed Portfolio Shares are included within the definition of "security" or "securities" as such terms are used in the Rules of the Exchange.

(1) Nasdaq will file separate proposals under Section 19(b) of the Securities Exchange Act of 1934 before the listing and trading of a series of Managed Portfolio Shares. All statements or representations contained in such rule filing regarding (a) the description of the portfolio or reference assets; (b) limitations on portfolio holdings or reference assets; (c) dissemination and availability of the reference asset or intraday indicative values and Verified Intraday Indicative Values (as applicable); or (d) the applicability of Nasdaq listing rules specified in such proposals shall constitute continued listing standards.

(2) Transactions in Managed Portfolio Shares will occur throughout the Exchange's System Hours.

(3) Minimum Price Variance. The minimum price variation for quoting and entry of orders in Managed Portfolio Shares is \$0.01.

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(c) Definitions. The following terms as used in the Rules shall, unless the context otherwise requires, have the meanings herein specified:

(1) Managed Portfolio Share. The term "Managed Portfolio Share" means a security that (a) represents an interest in an investment company registered under the Investment Company Act of 1940 ("Investment Company") organized as an open-end management investment company, that invests in a portfolio of securities selected by the Investment Company's investment adviser consistent with the Investment Company's investment objectives and policies; (b) is issued in a Creation Unit, or multiples thereof, in return for a designated portfolio of instruments (and/or an amount of cash) with a value equal to the next determined net asset value and delivered to the Authorized Participant (as defined in the Investment Company's Form N-1A filed with the SEC) through a Confidential Account; (c) when aggregated into a Redemption Unit, or multiples thereof, may be redeemed for a designated portfolio of instruments (and/or an amount of cash) with a value equal to the next determined net asset value delivered to the Confidential Account for the benefit of the Authorized Participant; and (d) the portfolio holdings for which are disclosed within at least 60 days following the end of every fiscal quarter.

(2) Verified Intraday Indicative Value. The term "Verified Intraday Indicative Value" is the indicative value of a Managed Portfolio Share based on all of the holdings of a series of Managed Portfolio Shares as of the close of business on the prior business day and, for corporate actions, based on the applicable holdings as of the opening of business on the current business day, priced and disseminated in one second intervals during Nasdaq's [r]Regular [m]Market Hours[session] by the Reporting Authority.

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(9) Normal Market Conditions. The term "Normal Market Conditions" includes, but is not limited to, the absence of trading halts in the applicable financial markets generally; operational issues (e.g., systems failure) causing dissemination of inaccurate market information; or force majeure type events such as natural or manmade disaster, act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance.

(d) Initial and Continued Listing. Managed Portfolio Shares will be listed and traded on the Exchange subject to application of the following criteria:

(1) Initial Listing. Each series of Managed Portfolio Shares will be listed and traded on the Exchange subject to application of the following initial listing criteria:

(A) For each series, the Exchange will establish a minimum number of Managed Portfolio Shares required to be outstanding at the time of commencement of trading on the Exchange.

(B) The Exchange will obtain a representation from the Investment Company that issues each series of Managed Portfolio Shares that the net asset value per share for the series will be calculated daily and that the net asset value will be made available to all market participants at the same time.

(C) All Managed Portfolio Shares shall have a stated investment objective, which shall be adhered to under Normal Market Conditions.

(2) Continued Listing. Each series of Managed Portfolio Shares will be listed and traded on the Exchange subject to application of the following continued listing criteria:

(A) Verified Intraday Indicative Value. The Verified Intraday Indicative Value for Managed Portfolio Shares will be widely disseminated by the Reporting Authority and/or by one or more major market data vendors in one second intervals during Nasdaq's [r]Regular [m]Market Hours[session], and will be disseminated to all market participants at the same time.

(B) Suspension of trading or removal. The Exchange will consider the suspension of trading in, and will commence delisting proceedings under the Rule 5800 Series, for a series of Managed Portfolio Shares, under any of the following circumstances:

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5800. Failure to Meet Listing Standards

5810. Notification of Deficiency by the Listing Qualifications Department

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(a) Information Contained in Deficiency Notification and Delisting Determination

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(b) Company Disclosure Obligations

A Company that receives a notification of deficiency, Staff Delisting Determination, or Public Reprimand Letter is required to make a public announcement disclosing receipt of the notification and the Rule(s) upon which the deficiency is based, and describing each specific basis and concern identified by Nasdaq in reaching its determination that the Company does not meet the listing standard. If the deficiency or Staff Delisting Determination relates to the requirement to file a periodic report contained in Rule 5250(c)(1) or (2), the Company is required to make the public announcement by issuing a press release, in addition to filing any Form 8-K required by SEC rules. In all other cases, the Company may make the public announcement either by filing a Form 8-K, where required by SEC rules, or by issuing a press release. Additional information about this disclosure obligation is provided in IM-5810-1.

As described in Rule 5250(b)(1) and IM-5250-1, the Company must notify Nasdaq's MarketWatch Department about the announcement through the electronic disclosure submission system available at www.nasdaq.net, except in emergency situations when notification may instead be provided by telephone or facsimile. If the public announcement is made during Nasdaq Regular [m]Market [h]Hours, the Company must notify MarketWatch at least ten minutes prior to the announcement. If the public announcement is made outside of Nasdaq Regular [m]Market [h]Hours, the Company must notify MarketWatch of the announcement prior to 6:50 a.m. ET. The Company should make the public announcement as promptly as possible but not more than four business days following receipt of the notification.

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5840. Adjudicatory Process: General Information

(a) Record on Review

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(k) Disclosure of Public Reprimand Letter

A Company that receives an Adjudicatory Body Decision that serves as a Public Reprimand Letter must make a public announcement by filing a Form 8-K, where required by SEC rules, or by issuing a press release disclosing the receipt of the Decision, including the Rule(s) upon which the Decision was based. As described in Rule 5250(b)(1) and IM-5250-1, the Company must notify Nasdaq's MarketWatch Department about the announcement through the electronic disclosure submission system available at www.nasdaq.net, except in emergency situations when notification may instead be provided by telephone or facsimile. If the public announcement is made during Nasdaq Regular [m]Market [h]Hours, the Company must notify MarketWatch at least ten minutes prior to the announcement. If the public announcement is made outside of Nasdaq Regular [m]Market [h]Hours, the Company must notify MarketWatch of the announcement prior to 6:50 a.m. ET. The Company should make the public announcement as promptly as possible but not more than four business days following receipt of the Decision.

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Equity 1 Equity Definitions

Section 1 Equity Definitions

(a) When used in the Equity Rules, unless the context otherwise requires:

(1) "**Customer**" The term "customer" shall not include a broker or dealer.

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(9) [The term "**Market Hours**" means the period of time beginning at 9:30 a.m. ET and ending at 4:00 p.m. ET (or such earlier time as may be designated by Nasdaq on a day when Nasdaq closes early).]The term "System Hours" means the 23-hour time period [of time] beginning at [4:00 a.m.]9:00 p.m. ET [and ending at on one calendar day and ending at 8:00 p.m. ET (or such earlier time as may be designated by Nasdaq on a day when Nasdaq closes early) on the next calendar day for the period from Sunday at 9:00 p.m. ET through Friday at 8:00 p.m. ET in accordance with definitions of Day Session (including the Pre-Market Hours, Regular Market Hours, and Post-Market Hours) and Night Session.] The term "**Pre-Market Hours**" means the period of time beginning at 4:00 a.m. ET and ending immediately prior to the commencement of Market Hours. The term "**Post-Market Hours**" means the period of time beginning immediately after the end of Market Hours and ending at 8:00 p.m. ET.]

Nasdaq notes that in certain contexts, times cited in the Nasdaq Rules may be approximate. For example, for a System Security in which the Nasdaq Opening Cross occurs, the first transactions executed during Market Hours will occur in the Nasdaq Opening Cross. However, because Nasdaq Opening Crosses for different System Securities occur sequentially rather than simultaneously, the first Regular Market Hours transactions in a particular System Security are likely to occur during a brief period following 9:30 a.m. ET, not precisely at 9:30 a.m. ET.

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(16) The term "Equity Data Plans" shall mean the effective national market system plans that govern the collection, consolidation, processing and dissemination of equity market data for NMS stocks and oversee the exclusive securities information processors ("SIPs"), including (1) the Consolidated Tape Association Plan ("CTA Plan"), (2) the Consolidated Quotation Plan ("CQ Plan"), (3) the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis ("UTP Plan"), (4) the CT Plan established by the Limited Liability Company Agreement of CT Plan LLC, and (5) any successor thereto to the named Plans.

(17) The term "Business Day" shall mean any Sunday from 9 PM ET through Monday, and any Tuesday, Wednesday, Thursday or Friday other than any of the following U.S. holidays if they are celebrated on a Monday, Tuesday, Wednesday, Thursday or Friday: New Year's

Day, Martin Luther King Jr. Day, Presidents' Day, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day Eastern Time, or such other U.S. holiday(s) as published by the Exchange from time to time.

(18) The term “Day Session” means the time between 4:00 a.m. Eastern Time and 8:00 p.m. Eastern Time on Business Days, during which period the Pre-Market Hours, Regular Market Hours and Post-Market Hours are in operation.

(19) The term “Night Session” shall mean the time between 9:00 p.m. on one calendar day through 4:00 a.m. the next calendar day Sunday through Thursday provided that each such next calendar day is a Business Day. For the avoidance of doubt, notwithstanding anything to the contrary in these Rules, the Exchange shall not commence operation of the Night Session unless the Equity Data Plans (1) have established a mechanism to collect, consolidate, process and disseminate quotation and transaction information at all times during the Night Session that is equivalent to the mechanism established for Exchange trading hours during Regular Market Hours, and (2) have provided the Exchange with notification that they are prepared to collect, consolidate, process and disseminate quotation and transaction information to accommodate the Night Session. Prior to commencing operation during the Night Session, the Exchange will file a proposed rule change pursuant to Section 19(b) of the Exchange Act and the rules thereunder to amend its rules confirming that the Exchange is able to comply with its obligations under the Exchange Act and the rules thereunder during the Night Session and that such Equity Data Plans are prepared to collect, consolidate, process and disseminate quotation and transaction information at all times during the Night Session (“Night Session Proposed Rule Change”). If the Night Session Proposed Rule Change is not filed within 18 months of the SEC’s approval of this proposed rule change, the Exchange will promptly file a proposed rule change to remove the rules that apply to the Night Session.

(20) The term “Pre-Market Hours” means that subset of the Day Session comprising the trading session that begins at 4:00 a.m. and continues until 9:30 a.m. on Business Days.

(21) The term “Post-Market Hours” means that subset of the Day Session comprising the trading session that begins at 4:00 p.m. or 4:15 p.m. and that continues until 8:00 p.m. on Business Days.

(22) The term “Regular Market Hours” means that subset of the Day Session comprising the trading session that begins at 9:30 am. and continues until 4:00 p.m. or 4:15 p.m. on Business Days.

(23) Unless otherwise specified in these rules, the term “Extended Hours” means the hours outside of Regular Market Hours and specifically comprising the hours during which Pre-Market Hours, Post-Market Hours, and Night Session are in operation.

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Equity 2 Market Participants

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Section 8. Normal Business Hours

The System operates during System Hours [from 4:00 a.m. to 8:00 p.m. Eastern Time on each business day], unless modified by Nasdaq. A Nasdaq Market Maker shall be open for business as of 9:30 a.m. Eastern Time and shall close no earlier than 4:00 p.m. Eastern Time. A Nasdaq Market Maker may voluntarily open for business prior to 9:30 a.m. and remain open for business later than 4:00 p.m. Eastern Time. Nasdaq Market Makers whose quotes are open prior to 9:30 a.m. Eastern Time or after 4:00 p.m. Eastern Time shall be obligated to comply, while their quotes are open, with all Nasdaq Rules that are not by their express terms, or by an official interpretation of Nasdaq, inapplicable to any part of the 4:00 a.m. to 9:30 a.m. or 4:00 p.m. to 8:00 p.m. Eastern Time period.

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Section 20. Customer Disclosures

No member may accept an order from a customer for execution in the [p]Pre-[m]Market Hours[session],[or] [p]Post-[m]Market Hours[session], or Night Session without disclosing to such customer that [e]Extended [h]Hours trading involves material trading risks, including the possibility of lower liquidity, high volatility, changing prices, unlinked markets, an exaggerated effect from news announcements, wider spreads and any other relevant risk. The absence of an updated underlying index value or intraday indicative value is an additional trading risk in extended hours for Derivative Securities Products.

The disclosures required pursuant to this rule may take the following form or such other form as provides substantially similar information:

(1) Risk of Lower Liquidity. Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in [e]Extended [h]Hours trading as compared to [r]Regular [m]Market [h]Hours. As a result, your order may only be partially executed, or not at all.

(2) Risk of Higher Volatility. Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in [e]Extended [h]Hours [t]Trading than in [r]Regular [m]Market [h]Hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price in [e]Extended [h]Hours [t]Trading than you would during [r]Regular [m]Market [h]Hours.

(3) Risk of Changing Prices. The prices of securities traded in [e]Extended [h]Hours trading may not reflect the prices either at the end of [r]Regular [m]Market [h]Hours, or upon the opening of the next morning. As a result, you may receive an inferior price in [e]Extended [h]Hours trading than you would during [r]Regular [m]Market [h]Hours.

(4) Risk of Unlinked Markets. Depending on the extended hours trading system or the time of day, the prices displayed on a particular [e]Extended [h]Hours system may not reflect the prices in other concurrently operating [e]Extended [h]Hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one [e]Extended [h]Hours trading system than you would in another extended hours trading system.

(5) Risk of News Announcements. Normally, issuers make news announcements that may affect the price of their securities after [r]Regular [m]Market [h]Hours. Similarly, important financial information is frequently announced outside of [r]Regular [m]Market [h]Hours. In [e]Extended [h]Hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

(6) Risk of Wider Spreads. The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in [e]Extended [h]Hours trading may result in wider than normal spreads for a particular security.

(7) Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value ("IIV"). For certain Derivative Securities Products, an updated underlying index value or IIV may not be calculated or publicly disseminated during [e]Extended Hours[trading hours]. Since the underlying index value and IIV are not calculated or widely disseminated during the [p]Pre-[m]Market Hours,[and] [p]Post-[m]Market Hours[sessions] and Night Session, an investor who is unable to calculate implied values for certain Derivative Securities Products in those sessions may be at a disadvantage to market professionals.

(8) Additional Risks related to the Night Session

The Night Session may present risks in addition to the risks discussed above, including the following:

(A) Risk of Trading During Hours in Which Primary Listing Markets May Not Be Open

During the Night Session , the primary listing exchanges for securities traded on the Exchange may not be open, and, thus, trading in listed securities may not be occurring on the primary listing exchanges during the Night Session. The primary listing exchanges also may not be available to perform their regulatory surveillance and other regulatory obligations with regard to their listed securities during the Night Session .

(B) Risk of Trading During Hours in Which There May Be Limited or Different Regulatory Protections

The regulatory protections available during the Night Session may be more limited or different than those available during Regular Trading Hours. For example, certain mechanisms that address volatility in individual symbols and the equities market may not be available during the Night Session.

(C) Risk of Trading Because of Limited Trading Alternatives

The Exchange may be the only exchange trading certain securities during the Night Session. With more limited trading alternatives during the Night Session, you may experience losses if your orders cannot be executed normally due to systems failures or other issues on the Exchange.

(D) Risk related to Continuous Trading

With the implementation of the Night Session, near-continuous trading would take place. With more limited breaks in trading, there may be a greater risk related to system maintenance and testing, as well as the pausing and resumption of trading.

(E) Risk of Trading During Hours in Which Financial Market Infrastructure Companies Are Closed. During Extended Hours Trading. There are certain hours in which important financial market infrastructure companies are closed for business. Examples of these market infrastructure companies include other markets, banks, Fedwire Funds Service, and certain other providers of settlement services. Likewise, trading during hours in which the relevant clearing agency as well as other providers of settlement services are closed may lead to an increased passage of time between execution and final settlement of the resulting transaction.

(F) Additional Risks. Night Session trading may present additional unforeseen risks in addition to those discussed above.

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Equity 4 Equity Trading Rules

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4120. Limit Up-Limit Down Plan and Trading Halts**(a) Authority to Initiate Trading Halts or Pauses**

In circumstances in which Nasdaq deems it necessary to protect investors and the public interest, Nasdaq, pursuant to the procedures set forth in paragraph (c):

(1) may halt trading on Nasdaq of a Nasdaq-listed security to permit the dissemination of material news, provided, however, that in the Pre-Market Hours[Session] (as defined in section 4120(b)(4)) Nasdaq will halt trading for dissemination of news only at the request of an issuer or pursuant to section (a)(2) below; or

(2) may halt trading on Nasdaq of a security listed on another national securities exchange during a trading halt imposed by such exchange to permit the dissemination of material news; or

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(10) The Exchange shall halt trading at the conclusion of the Day Session at 8:00 p.m. ET and resume trading with the commencement of the Night Session at 9:00 p.m. ET, on Monday, Tuesday, Wednesday and Thursday, in accordance with Rule Equity 1, Sections 1(a)(18)-(19) of these rules. Weekday trading will commence with a Night Session beginning at 9:00 p.m. ET, on Sunday.

(A) The Exchange may pause trading during the Night Session at such other times as the Exchange in the exercise of its regulatory functions may determine is appropriate. The Exchange shall announce in advance when such trading will pause and when it will resume pursuant to this paragraph.

(B) Orders outstanding on the Nasdaq Book as of 8:00 PM ET shall be cancelled.

(C) The Exchange will begin accepting orders for the Night Session at 9:00 PM ET in accordance with Rule 4756 and will trade thereafter throughout the Night Session. Trades occurring at or after the commencement of the Night Session and before midnight will be assigned a trade date of the following day. At the conclusion of the Night Session at 4:00 AM ET, all orders outstanding in the Nasdaq Book as of 4:00 AM ET shall be cancelled.

(D) If the primary listing market determines to halt trading, or delay commencement of trading, in one of its listed securities in accordance with such primary listing market's rules (e.g., with regard to material corporate actions with respect to a particular security (i.e., corporate actions that may affect a stock price, stock additions and subtractions, and similar actions) or material news announcements), the Exchange will halt trading, or delay the commencement of, trading (as applicable), in such security until trading resumes on the primary listing market for the security. If trading in a security is halted by the primary listing market before the commencement of the Night Session and continuing into the Night Session, or during the Night Session, the Exchange will halt trading in the security until trading resumes on the primary listing market for the security.

(10)11 shall halt trading in Derivative Securities Products (as defined in Rule 4120(b)(4)(A)) for which a net asset value ("NAV") (and in the case of Managed Fund Shares under Rule 5735, a Disclosed Portfolio, in the case of NextShares under Rule 5745, a Composition File, and in the case of Proxy Portfolio Shares, a Proxy Basket, or the Fund Portfolio) is disseminated if Nasdaq becomes aware that the NAV (or in the case of Managed Fund Shares, the Disclosed Portfolio, in the case of NextShares, the Composition File, or in the case of Proxy Portfolio Shares, the Proxy Basket, or the Fund Portfolio) is not being disseminated to all market participants at the same time.

Nasdaq will maintain the trading halt until such time as Nasdaq becomes aware that the NAV (or in the case of Managed Fund Shares, the Disclosed Portfolio, or in the case of NextShares, the Composition File, or in the case of Proxy Portfolio Shares, the Proxy Basket, or the Fund Portfolio as applicable) is available to all market participants or, in the case of Derivative Securities Products traded on Nasdaq pursuant to unlisted trading privileges, until such time trading resumes in the listing market.

(1)12 shall, between 9:45 a.m. and 3:35 p.m., or in the case of an early scheduled close, 25 minutes before the close of [trading]Regular Market Hours, immediately pause trading for 5 minutes in any Nasdaq-listed security not covered by the Limit Up-Limit Down Plan, other than rights and warrants, when the price of such security moves a percentage specified below within a 5-minute period.

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(1[2]3) **Limit Up-Limit Down Mechanism.**

(A) **Definitions.**

(1) "**Plan**" means the Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS under the Securities Exchange Act of 1934, Exhibit A to Securities Exchange Act Release No. 67091 (May 31, 2012), 77 FR 33498 (June 6, 2012).

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(1[3]4) shall halt trading in an Equity Investment Tracking Stock (as defined in Rule 5005) or Subscription Receipt (listed under Rule 5520) whenever Nasdaq halts or suspends trading in a security such Equity Investment Tracking Stock tracks or the common stock into which the Subscription Receipt is exchangeable.

(1[4]5) shall halt trading of a security for which Nasdaq is the Primary Listing Market before the end of Post-Market Hours on the day immediately before the market effective date of a reverse stock split.

(1[5]6) may halt trading in an Exchange-Traded Product ("ETP") for which Nasdaq is the primary listing market on the first day of trading, provided that (i) the issuer of the ETP being listed opts into this process, and (ii) a broker-dealer serving in the role of Designated Liquidity Provider ("DLP") to the issuer of the ETP being listed is willing to perform the functions under this Rule.

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(b) **Trading Halts for Trading of Certain Derivative Securities Products on Nasdaq Pursuant to Unlisted Trading Privileges**

(1) **During Pre-Market [Session]Hours.** If a Derivative Securities Product begins trading on Nasdaq in the Pre-Market [Session]Hours and subsequently a temporary interruption occurs in the calculation or wide dissemination of an applicable Required Value, Nasdaq may continue to trade the Derivative Securities Product for the remainder of the Pre-Market [Session]Hours.

(2) **During Regular Market [Session]Hours.** During the Regular Market [Session]Hours, if a temporary interruption occurs in the calculation or wide dissemination of an applicable Required Value, and the listing market halts trading in the Derivative Securities Product,

Nasdaq, upon notification by the listing market of a halt due to such temporary interruption, also shall immediately halt trading in the Derivative Securities Product on Nasdaq.

(3) Post-Market [Session]Hours and Night Session[Next Trading Day].

(A) If an applicable Required Value continues not to be calculated or widely disseminated after the close of the Regular Market [Session]Hours, Nasdaq may trade the Derivative Securities Product in the Post-Market [Session]Hours and during the Night Session only if the listing market traded the Derivative Securities Product until the close of its regular trading session without a halt.

(B) If an applicable Required Value continues not to be calculated or widely disseminated as of the beginning of the Pre-Market [Session]Hours on the next trading day, Nasdaq shall not commence trading of the Derivative Securities Product in the Pre-Market [Session]Hours that day. If an interruption in the calculation or wide dissemination of an applicable Required Value continues, Nasdaq may resume trading in the Derivative Securities Product only if calculation and wide dissemination of the applicable Required Value resumes or trading in the Derivative Securities Product resumes in the listing market.

(4) Definitions. For purposes of this Rule:

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(B) Pre-Market [Session]Hours means the trading sub-session of the Day Session that begins at 4:00 a.m. and continues until 9:30 a.m. on Business Days, as defined in Rule Equity 1, Section 1(a)(20).

(C) Post-Market [Session]Hours means the trading sub-session of the Day Session that begins at 4:00 p.m. or 4:15 p.m., and that continues until 8:00 p.m. on Business Days, as defined in Rule Equity 1, Section 1(a)(21).

(D) “Market [Session]Hours” or “Regular Market Hours” means the trading sub-session of the Day Session that operates from 9:30 am. until 4:00 p.m. or 4:15 p.m. on Business Days, as defined in Rule Equity 1, Section 1(a)(22).

(E) Required Value shall mean (i) the value of any index or any commodity-related value underlying a Derivative Securities Product, (ii) the indicative optimized portfolio value, intraday indicative value, or other comparable estimate of the value of a share of a Derivative Securities Product updated regularly during the trading day, (iii) a net asset value in the case of a Derivative Securities Product for which a net asset value is disseminated, and (iv) a Disclosed Portfolio in the case of a Derivative Securities Product that is a series of Managed Fund Shares, as defined in Rule 5735, or Managed Trust Securities, as defined in Rule 5711(j), and a Composition File in the case of a Derivative Securities Product that is a series of NextShares, as defined in Rule 5745.

(F) “Day Session” shall have the same meaning as defined in Rule Equity 1, Section 1(a)(18).

(G) “Night Session” shall have the same meaning as defined in Rule Equity 1, Section 1(a)(19).

(c) Procedure for Initiating and Terminating a Trading Halt

(1) Nasdaq issuers are required to notify Nasdaq of the release of certain material news prior to the release of such information to the public as required by Rule 5250(b)(1).

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4702. Order Types

(a) Participants may express their trading interest in the Nasdaq Market Center by entering Orders. The Nasdaq Market Center offers a range of Order Types that behave in the manner specified for each particular Order Type. Each Order Type may be assigned certain Order Attributes that further define its behavior. All Order Types and Order Attributes operate in a manner that is reasonably designed to comply with the requirements of Rules 610 and 611 under Regulation NMS. Each Order must designate whether it is to effect a buy, a long sale, a short sale, or an exempt short sale.

Nasdaq maintains several communications protocols for Participants to use in entering Orders and sending other messages to the Nasdaq Market Center:

- OUCH is a Nasdaq proprietary protocol.
- RASH is a Nasdaq proprietary protocol.
- QIX is a Nasdaq proprietary protocol.
- FLITE is a Nasdaq proprietary protocol.
- CORE FIX is a Nasdaq proprietary protocol
- FIX is a non-proprietary protocol.

Except where otherwise stated, all protocols are available for all Order Types and Order Attributes.

Night Session Ports, Protocols. To trade in the Night Session, market participants will be required to use ports specifically designated for use during the Night Session. Ports used for the Day Session will not connect market participants to trading systems for the Night Session. The following protocols will be available for the Night Session: OUCH 5, Core FIX, and FIX.

Night Session ports will be operational from 9:00 PM ET through the following day at 4:00 AM ET in accordance with the definition of Night Session. Day ports will be operational from 4:00AM ET through 8:00 PM ET on Business Days.

Upon entry, an Order is processed to determine whether it may execute against any contra-side Orders on the Nasdaq Book in accordance with the parameters applicable to the Order Type and Order Attributes selected by the Participant and in accordance with the priority for Orders on the Nasdaq Book provided in Rule 4757. In addition, the Order may have its price adjusted in accordance with applicable parameters and may be routed to other market centers for potential execution if designated as Routable. The Order may then be posted to the Nasdaq Book if consistent with the parameters of the Order Type and Order Attributes selected by the Participant. Thereafter, as detailed in Rules 4702, 4703, and 4758, there are numerous circumstances in which the Order on the Nasdaq Book may be modified and receive a new timestamp. The sole instances in which the modification of an Order on the Nasdaq Book will not result in a new timestamp are: (i) a decrease in the size of the Order due to execution or modification by the Participant or by the System, and (ii) a redesignation of a sell Order as a long sale, a short sale, or an exempt short sale. Whenever an Order receives a new timestamp for any reason, it is processed by the System as a new Order with respect to potential execution against Orders on the Nasdaq Book, price adjustment, routing, reposting to the Nasdaq Book, and subsequent execution against incoming Orders, except where otherwise stated.

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(b) Except where stated otherwise, the following Order Types are available to all Participants:

(1) (A) A "**Price to Comply Order**" is an Order Type designed to comply with Rule 610(d) under Regulation NMS by avoiding the display of quotations that lock or cross any Protected Quotation in a System Security during Regular Market Hours. The Price to Comply Order is also designed to provide potential price improvement.

When a Price to Comply Order is entered, the Price to Comply Order will be executed against previously posted Orders on the Nasdaq Book that are priced equal to or better than the price of the Price to Comply Order, up to the full amount of such previously posted Orders, unless such executions would trade through a Protected Quotation. Any portion of the Order that cannot be executed in this manner will be posted on the Nasdaq Book (and/or routed if it has been designated as Routable).

During Regular Market Hours, the price at which a Price to Comply Order is posted is determined in the following manner. If the entered limit price of the Price to Comply Order would lock or cross a Protected Quotation and the Price to Comply Order could not execute against an Order on the Nasdaq Book at a price equal to or better than the price of the Protected Quotation, the Price to Comply Order will be displayed on the Nasdaq Book at a price one minimum price increment lower than the current Best Offer (for a Price to Comply Order to buy) or higher than the current Best Bid (for a Price to Comply Order to sell) but will also be ranked on the Nasdaq Book with a non-displayed price equal to the current Best Offer (for a Price to Comply Order to buy) or to the current Best Bid (for a Price to Comply

Order to sell). For example, if a Price to Comply Order to buy at \$11 would lock a Protected Offer of \$11, the Price to Comply Order will be ranked at a non-displayed price of \$11 but will be displayed at \$10.99. An incoming Order to sell at a price of \$11 or lower would execute against the Price to Comply Order at \$11 (unless the incoming Order was an Order Type that was not immediately executable, in which case the incoming Order would behave in the manner specified for that Order Type).

During Pre-Market Hours and Post-Market Hours, a Price to Comply Order will be ranked and displayed at its entered limit price without adjustment.

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(C) The following Order Attributes may be assigned to a Price to Comply Order:

- Price. As described above, the price of the Order may be adjusted to avoid locking or crossing a Protected Quotation, and may include a displayed price as well as a non-displayed price.
- Size.
- Reserve Size (available through CORE FIX, OUCH, RASH, FIX and QIX only).
- A Time-in-Force other than IOC. (A Price to Comply Order entered with a Time-in-Force of IOC would be processed as a Non-Displayed Order with a Time-in-Force of IOC).
- Designation as an ISO. In accordance with Regulation NMS, a Price to Comply Order designated as an ISO would be processed at its entered limit price, since such a designation reflects a representation by the Participant that it has simultaneously routed one or more additional limit orders, as necessary, to execute against the full displayed size of any Protected Quotations that the Price to Comply Order would lock or cross.
- Routing (available through RASH, FIX and QIX only).
- Primary Pegging and Market Pegging (available through CORE FIX, OUCH, RASH, FIX, and QIX only).
- Discretion (available through CORE FIX, OUCH, RASH, FIX and QIX only).
- Participation in the Nasdaq Opening Cross, Nasdaq Halt Cross and/or the Nasdaq Closing Cross.
- Display. A Price to Comply Order is always displayed, although, as provided above, it may also have a non-displayed price and/or Reserve Size.
- Trade Now (available through CORE FIX, OUCH, RASH, FLITE and FIX).

(2) (A) A "**Price to Display Order**" is an Order Type designed to comply with Rule 610(d) under Regulation NMS by avoiding the display of quotations that lock or cross any Protected Quotation in a System Security during Regular Market Hours. Price to Display Orders are available solely to Participants that are Market Makers.

When a Price to Display Order is entered, if its entered limit price would lock or cross a Protected Quotation, the Price to Display Order will be repriced to one minimum price increment lower than the current Best Offer (for a Price to Display Order to buy) or higher than the current Best Bid (for a Price to Display Order to sell). For example, if a Price to Display Order to buy at \$11 would cross a Protected Offer of \$10.99, the Price to Display Order will be repriced to \$10.98. The Price to Display Order (whether repriced or not repriced) will then be executed against previously posted Orders on the Nasdaq Book that are priced equal to or better than the adjusted price of the Price to Display Order, up to the full amount of such previously posted Orders, unless such executions would trade through a Protected Quotation. Any portion of the Order that cannot be executed in this manner will be posted on the Nasdaq Book (and/or routed if it has been designated as Routable)

During Regular Market Hours, the price at which a Price to Display Order is displayed and ranked on the Nasdaq Book will be its entered limit price if the Price to Display Order was not repriced upon entry, or the adjusted price if the Price to Display Order was repriced upon entry, such that the price will not lock or cross a Protected Quotation.

During Pre-Market Hours and Post-Market Hours, a Price to Display Order will be displayed and ranked at its entered limit price without adjustment.

(B) If a Price to Display Order is entered through RASH, QIX, or FIX, during Regular Market Hours the Price to Display Order may be adjusted in the following manner after initial entry and posting to the Nasdaq Book (unless the Order is assigned a Routing Order Attribute that would cause it to be routed to another market center rather than remaining on the Nasdaq Book):

- If the entered limit price of the Price to Display Order locked or crossed a Protected Quotation and the NBBO changes, the price of the Order will be adjusted repeatedly in accordance with changes to the NBBO; provided, however, that if the quotation of another market center moves in a manner that would lock or cross the price of a Price to Display Order, the price of the Price to Display Order will not be adjusted. For example, if a Price to Display Order to buy at \$11.02 would cross a Protected Offer of \$11, the Order will be displayed and ranked at \$10.99. If the Best Offer then moves to \$11.01, the displayed/ranked price will be changed to \$11. However, if another market center then displays an offer of \$11 (thereby locking the previously displayed price of the Price to Display Order, notwithstanding Rule 610(d) under Regulation NMS), the price of the Price to Display Order will not be changed. The Order may be repriced repeatedly until such time as the Price to Display Order is able to be displayed and ranked at its original entered limit price (\$11.02 in the example). The Price to Display Order receives a new timestamp each time its price is changed.

- If the original entered limit price of the Price to Display Order would no longer lock or cross a Protected Quotation, the Price to Display Order will be displayed and ranked at that price and will receive a new timestamp, and will not thereafter be adjusted under this paragraph (B).

If a Price to Display Order is entered through CORE FIX ,OUCH or FLITE, during Regular Market Hours the Price to Display Order may be adjusted in the following manner after initial entry and posting to the Nasdaq Book:

- If the entered limit price of the Price to Display Order locked or crossed a Protected Quotation and the NBBO changes so that the Price to Display Order could be ranked and displayed at a price at or closer to its original entered limit price without locking or crossing a Protected Quotation, the Price to Display Order may either remain on the Nasdaq Book unchanged or may be cancelled back to the Participant, depending on the Participant's choice. For example, if a Price to Display Order to buy at \$11.02 would cross a Protected Offer of \$11, the Order will be ranked and displayed at \$10.99. If the Best Offer changes to \$11.01, the Price to Display Order will not be repriced, but rather will either remain at its current price or be cancelled back to the Participant, depending on its choice. A Participant's choice with regard to maintaining the Price to Display Order or cancelling it is set in advance for each port through which the Participant enters Orders.

(C) The following Order Attributes may be assigned to a Price to Display Order:

- Price. As described above, the price of the Order may be adjusted to avoid locking or crossing a Protected Quotation.
- Size.
- Reserve Size (available through CORE FIX, OUCH, RASH, FIX and QIX only).
- A Time-in-Force other than IOC. (A Price to Display Order entered with a Time-in-Force of IOC would be processed as a Non-Displayed Order with a Time-in-Force of IOC).
- Designation as an ISO. In accordance with Regulation NMS, a Price to Display Order designated as an ISO would be processed at its entered limit price, since such a designation reflects a representation by the Participant that it has simultaneously routed one or more additional limit orders, as necessary, to execute against the full displayed size of any Protected Quotations that the Price to Display Order would lock or cross.
- Routing (available through RASH, FIX and QIX only).
- Primary Pegging and Market Pegging (available through CORE FIX, OUCH, RASH, FIX, and QIX only).
- Discretion (available through CORE FIX, OUCH, RASH, FIX and QIX only).

- Participation in the Nasdaq Opening Cross, Nasdaq Halt Cross and/or the Nasdaq Closing Cross.
- Attribution. All Price to Display Orders are Attributable Orders.
- Display. A Price to Display Order is always displayed (but may also have Reserve Size).

(3) (A) A “Non-Displayed Order” is an Order Type that is not displayed to other Participants, but nevertheless remains available for potential execution against incoming Orders until executed in full or cancelled. In addition to the Non-Displayed Order Type, there are other Order Types that are not displayed on the Nasdaq Book. Thus, "Non-Display" is both a specific Order Type and an Order Attribute of certain other Order Types.

When a Non-Displayed Order is entered, the Non-Displayed Order will be executed against previously posted Orders on the Nasdaq Book that are priced equal to or better than the price of the Non-Displayed Order, up to the full amount of such previously posted Orders, unless such executions would trade through a Protected Quotation. Any portion of the Non-Displayed Order that cannot be executed in this manner will be posted to the Nasdaq Book (unless the Non-Displayed Order has a Time-in-Force of IOC) and/or routed if it has been designated as Routable.

During Regular Market Hours, the price at which a Non-Displayed Order is posted is determined in the following manner. If the entered limit price of the Non-Displayed Order would lock a Protected Quotation, the Non-Displayed Order will be placed on the Nasdaq Book at the locking price. If the Non-Displayed Order would cross a Protected Quotation, the Non-Displayed Order will be repriced to a price that would lock the Protected Quotation and will be placed on the Nasdaq Book at that price. For example, if a Non-Displayed Order to buy at \$11 would cross a Protected Offer of \$10.99, the Non-Displayed Order will be repriced and posted at \$10.99. A Non-Displayed Order to buy at \$10.99 would also be posted at \$10.99.

During Pre-Market Hours,^[and] Post-Market Hours, and Night Session, a Non-Displayed Order will be posted at its entered limit price without adjustment.

(B) If a Non-Displayed Order is entered through RASH, QIX, or FIX, during Regular Market Hours the Non-Displayed Order may be adjusted in the following manner after initial entry and posting to the Nasdaq Book (unless the Order is assigned a Routing Order Attribute that would cause it to be routed to another market center rather than remaining on the Nasdaq Book):

- If the original entered limit price of a Non-Displayed Order is higher than the Best Offer (for an Order to buy) or lower than the Best Bid (for an Order to sell) and the NBBO moves toward the original entered limit price of the Non-Displayed Order, the price of the Non-Displayed Order will be adjusted repeatedly in accordance with changes to the NBBO. For example, if a Non-Displayed Order to buy at \$11.02 would cross a Protected Offer of \$11, the Non-Displayed Order will be priced and posted at \$11. If the Best Offer

then changes to \$11.01, the price of the Non-Displayed Order will be changed to \$11.01. The Order may be repriced repeatedly in this manner, receiving a new timestamp each time its price is changed, until the Non-Displayed Order is posted at its original entered limit price. The Non-Displayed Order will not thereafter be repriced under this paragraph (B), except as provided below with respect to crossing a Protected Quotation.

- If, after being posted to the Nasdaq Book, the NBBO changes so that the Non-Displayed Order would cross a Protected Quotation, the Non-Displayed Order will be repriced at a price that would lock the new NBBO and receive a new timestamp. For example, if a Non-Displayed Order to buy at \$11 would lock a Protected Offer of \$11, the Non-Displayed Order will be posted at \$11. If the Best Offer then changes to \$10.99, the Non-Displayed Order will be repriced at \$10.99, receiving a new timestamp. The Non-Displayed Order may be repriced and receive a new timestamp repeatedly.

If a Non-Displayed Order is entered through CORE FIX, OUCH or FLITE, during Regular Market Hours the Non-Displayed Order may be adjusted in the following manner after initial entry and posting to the Nasdaq Book:

- If the original entered limit price of the Non-Displayed Order locked or crossed a Protected Quotation and the NBBO changes so that the Non-Displayed Order could be posted at a price at or closer to its original entered limit price without crossing a Protected Quotation, the Non-Displayed Order may either remain on the Nasdaq Book unchanged or may be cancelled back to the Participant, depending on its choice. For example, if a Non-Displayed Order to buy at \$11.02 would cross a Protected Offer of \$11, the Order will be priced at \$11. If the Best Offer changes to \$11.01, the Order will not be repriced, but rather will either remain at its current \$11 price or be cancelled back to the Participant, depending on its choice. A Participant's choice with regard to maintaining the Non-Displayed Order or cancelling it is set in advance for each port through which the Participant enters Orders.
- If, after a Non-Displayed Order is posted to the Nasdaq Book, the NBBO changes so that the Non-Displayed Order would cross a Protected Quotation, the Non-Displayed Order will be cancelled back to the Participant. For example, if a Non-Displayed Order to buy at \$11 would lock a Protected Offer of \$11, the Non-Displayed Order will be posted at \$11. If the Best Offer then changes to \$10.99, the Non-Displayed Order will be cancelled back to the Participant.

(C) The following Order Attributes may be assigned to a Non-Displayed Order:

- Price. As described above, the price of the Order may be adjusted to avoid crossing a Protected Quotation.
- Size.
- Minimum Quantity.

- Time-in-Force.
- Designation as an ISO. In accordance with Regulation NMS, a Non-Displayed Order designated as an ISO would be processed at its entered limit price, since such a designation reflects a representation by the Participant that it has simultaneously routed one or more additional limit orders, as necessary, to execute against the full displayed size of any Protected Quotations that the Non-Displayed Order would cross. As discussed above, a Non-Displayed Order would be accepted at a price that locked a Protected Quotation, even if the Order was not designated as an ISO, because the non-displayed nature of the Order allows it to lock a Protected Quotation under Regulation NMS. Accordingly, the System would not interpret receipt of a Non-Displayed Order marked ISO that locked a Protected Quotation as the basis for determining that the Protected Quotation had been executed for purposes of accepting additional Orders at that price level.
- Routing (available through RASH, FIX and QIX only).
- Primary Pegging and Market Pegging (available through CORE FIX, OUCH, RASH, FIX, and QIX only).
- Pegging to the Midpoint (see Rule 4703(d) with respect to differences in behavior that occur in various scenarios involving Non-Displayed Orders with Midpoint Pegging).
- Discretion (available through CORE FIX, OUCH, RASH, FIX and QIX only).
- Participation in the Nasdaq Opening Cross, Nasdaq Halt Cross and/or the Nasdaq Closing Cross.
- Trade Now (available through CORE FIX, OUCH, RASH, FLITE and FIX).

(4) (A) A "**Post-Only Order**" is an Order Type designed to have its price adjusted as needed to post to the Nasdaq Book in compliance with Rule 610(d) under Regulation NMS by avoiding the display of quotations that lock or cross any Protected Quotation in a System Security during Regular Market Hours, or to execute against locking or crossing quotations in circumstances where economically beneficial to the Participant entering the Post-Only Order. During Regular Market Hours, a Post-Only Order is evaluated at the time of entry with respect to locking or crossing other Orders on the Nasdaq Book, Protected Quotations, and potential execution as follows:

* * * * *

During Pre-Market, [and] Post-Market Hours, and Night Session, a Post-Only Order will be processed in a manner identical to Regular Market Hours with respect to locking or crossing Orders on the Nasdaq Book, but will not be cancelled or have its price adjusted with respect to locking or crossing the quotations of other market centers.

(B) If a Post-Only Order is entered through RASH, QIX, or FIX, during System Hours the Post-Only Order may be adjusted in the following manner after initial entry and posting to the Nasdaq Book:

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If a Post-Only Order is entered through CORE FIX, OUCH or FLITE, the Post-Only Order may be adjusted in the following manner after initial entry and posting to the Nasdaq Book:

- During Regular Market Hours, if the original entered limit price of the Post-Only Order locked or crossed a Protected Quotation, the Post-Only Order may be adjusted after initial entry in the same manner as a Price to Comply Order (or a Price to Display Order, if it is Attributable). Thus, in the case of a Non-Attributable Post-Only Order that crossed a Protected Quotation, if the NBBO changed so that the Post-Only Order could be ranked and displayed at a price at or closer to its original entered limit price without locking or crossing a Protected Quotation, the Post-Only Order may either remain on the Nasdaq Book unchanged or may be cancelled back to the Participant, depending on its choice. In the case of a Non-Attributable Post-Only Order that locked a Protected Quotation, if the limit price would no longer lock a Protected Quotation, the Post-Only Order may either remain on the Nasdaq Book unchanged, may be cancelled back to the Participant, or may be ranked and displayed at its original entered limit price, depending on the Participant's choice, and will not thereafter be adjusted under this paragraph (B). If the Post-Only Order is displayed at its original entered limit price, it will receive a new timestamp. Finally, in the case of an Attributable Post-Only Order that locked or crossed a Protected Quotation, if the NBBO changed so that the Post-Only Order could be ranked and displayed at a price at or closer to its original entered limit price without locking or crossing a Protected Quotation, the Post-Only Order may either remain on the Nasdaq Book unchanged or may be cancelled back to the Participant, depending on the Participant's choice. A Participant's choice with regard to adjustment of Post-Only Orders is set in advance for each port through which the Participant enters Orders.
- During System Hours, if the original entered limit price of the Post-Only Order locked or crossed a displayed Order on the Nasdaq Book and the Nasdaq Book changes so that the original entered limit price would no longer lock or cross an Order on the Nasdaq Book, the Post-Only Order may either remain on the Nasdaq Book unchanged or may be cancelled back to the Participant, depending on the Participant's choice. For example, if a Post-Only Order to buy at \$11 would lock a displayed Order on the Nasdaq Book priced at \$11, the Post-Only Order will be ranked and displayed at \$10.99. If the Order at \$11 is cancelled or executed, the Post-Only Order may either remain with a displayed price of \$10.99 or be cancelled back to the Participant, depending on the Participant's choice. A Participant's choice with regard to maintaining the Post-Only Order or cancelling it is set in advance for each port through which the Participant enters Orders.

(C) The following Order Attributes may be assigned to a Post-Only Order:

- Price. As described above, the price of the Order may be adjusted to avoid locking or crossing a Protected Quotation, and may include a displayed price as well as a non-displayed price.
- Size.
- Time-in-Force; provided, however, that a Post-Only Order with a Time-in-Force of IOC may not be entered through CORE FIX, RASH, QIX, or FIX.
- Designation as an ISO. In accordance with Regulation NMS, a Post-Only Order designated as an ISO that locked or crossed a Protected Quotation would be processed at its entered limit price, since such a designation reflects a representation by the Participant that it has simultaneously routed one or more additional limit orders, as necessary, to execute against the full displayed size of any Protected Quotations that the Post-Only Order would lock or cross. However, as described above, a Post-Only Order designated as an ISO that locked or crossed an Order on the Nasdaq Book would either execute at time of entry, post at its limit price, or would have its price adjusted prior to posting. Accordingly, the System would not interpret receipt of a Post-Only Order marked ISO that had its price adjusted prior to posting as the basis for determining that any Protected Quotation at the Order's original entered limit price level had been executed for purposes of accepting additional Orders at that price level. However, if the Post-Only Order is ranked and displayed at its adjusted price, the System would consider the adjusted price level to be open for purposes of accepting additional Orders at that price level. For example, assume that there is a Protected Offer at \$11 and a Participant enters a Post-Only Order marked ISO to buy at \$11. If there are no Orders to sell at \$11 on the Nasdaq Book, the Order to buy will be displayed and ranked at \$11, since the designation of the Order as an ISO reflects the Participant's representation that it has routed one or more additional limit orders, as necessary, to execute against the full displayed size of any Protected Quotations that the Post-Only Order would lock or cross. However, if there was also a displayed Order to sell at \$11 on the Nasdaq Book, the Post-Only Order will be repriced, ranked, and displayed at \$10.99. In that case, the mere fact that the Post-Only Order was designated as an ISO would not allow Nasdaq to conclude that the \$11 price level was "open" for receiving orders to buy at that price; the \$11 price level would be considered open only if market data received by the System demonstrated that the Protected Offer at \$11 had been removed or if a subsequent Displayed Order marked ISO was received and ranked at that price.
- Attribution.
- Participation in the Nasdaq Opening Cross, Nasdaq Halt Cross and/or the Nasdaq Closing Cross.
- Display. A Post-Only Order is always displayed, although as provided above, may also have a non-displayed price.

(5) (A) A "**Midpoint Peg Post-Only Order**" is an Order Type with a Non-Display Order Attribute that is priced at the midpoint between the NBBO and that will execute upon entry

only in circumstances where economically beneficial to the party entering the Order. The Midpoint Peg Post-Only Order is available during Regular Market Hours only. As described below, a Midpoint Peg Post Only Order may be “Fixed” or “Managed.”

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(B) A Managed Midpoint Peg Post-Only Order may be adjusted in the following manner after initial entry and posting to the Nasdaq Book:

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(C) The following Order Attributes may be assigned to a Midpoint Peg Post-Only Order:

- Price of more than \$1 per share.
- Size.
- Time-in-Force; provided, however, that a Midpoint Peg Post-Only Order with a Time-in-Force of IOC may not be entered through CORE FIX, RASH, QIX or FIX, and provided further that regardless of the Time-in-Force entered, a Midpoint Post-Only Order may not be active outside of Regular Market Hours. Midpoint Peg Post-Only Orders may not participate in the Nasdaq Opening Cross, Nasdaq Halt Cross, or the Nasdaq Closing Cross. A Midpoint Peg Post-Only Order entered prior to the beginning of Regular Market Hours will be rejected. Midpoint Peg Post-Only Orders will be cancelled by the System when a trading halt is declared, and any Midpoint Peg Post-Only Orders entered during a trading halt will be rejected. A Midpoint Peg Post-Only Order remaining on the Nasdaq Book at 4:00 p.m. ET will be cancelled by the System.
- Pegging to the midpoint is required for Managed Midpoint Peg Post-Only Orders. As discussed above, the price of a Fixed Midpoint Peg Post-Only Order will be pegged to the midpoint upon entry and not adjusted thereafter.
- Minimum Quantity.
- Non-Display. All Midpoint Peg Post-Only Orders are Non-Displayed.

(6) (A) A "**Supplemental Order**" is an Order Type with a Non-Display Order Attribute that is held on the Nasdaq Book in order to provide liquidity at the NBBO through a special execution process described in Rule 4757(a)(1)(D). A Supplemental Order may be entered through the OUCH and CORE FIX protocol only.

Upon entry, a Supplemental Order will always post to the Nasdaq Book at a price equal to the Best Bid (for buys) or the Best Offer (for sells). Thereafter, the Supplemental Order may execute against an Order that is designated as eligible for routing, after the Order has executed against all other liquidity on the Nasdaq Book but before routing. An Order will execute against a Supplemental Order(s) only at the NBBO, only if the NBBO is not locked or crossed, and only if

the Order can be executed in full. If a Supplemental Order is not executed in full, the remaining portion of the Supplemental Order shall remain on the Nasdaq Book as a Supplemental Order until the Supplemental Order is fully executed, the Supplemental Order is cancelled by the Participant that entered the Supplemental Order, or the size of the Supplemental Order is reduced to less than one normal unit of trading (in which case the Supplemental Order will be cancelled automatically).

(B) The following Order Attributes may be assigned to a Supplemental Order:

- **Price.** The Price of a Supplemental Order to buy is always equal to the Best Bid, and the price of a Supplemental Order to sell is always equal to the Best Offer.
- **Size.** All Supplemental Orders must be entered with a size of one or more normal units of trading. When a Supplemental Order is reduced to less than one normal unit of trading, the remainder of the Supplemental Order will be cancelled automatically.
- **A Time-in-Force other than IOC.** A Supplemental Order may be entered at any time during Pre-Market Hours, or Regular Market Hours, but is available for potential execution only during Regular Market Hours. Any Supplemental Orders still on the Nasdaq Book at the conclusion of Regular Market Hours will be cancelled. Supplemental Orders may not participate in the Nasdaq Opening Cross or the Nasdaq Closing Cross.
- **Primary Pegging.** A Supplemental Order is not pegged to the NBBO through the regular Primary Pegging Order Attribute, and therefore does not have its price adjusted continually. However, if an incoming Order is potentially executable against a Supplemental Order, the System will set the price of the Supplemental Order at the NBBO on the same side of the market, with no offset. As a result, a Supplemental Order may only execute at the NBBO.
- **Non-Display.** All Supplemental Orders are Non-Displayed.

(7) (A) A "**Market Maker Peg Order**" is an Order Type designed to allow a Market Maker to maintain a continuous two-sided quotation at a displayed price that is compliant with the quotation requirements for Market Makers set forth in Equity 2, Section 5(a)(2). The displayed price of the Market Maker Peg Order is set with reference to a "Reference Price" in order to keep the displayed price of the Market Maker Peg Order within a bounded price range. A Market Maker Peg Order may be entered through CORE FIX, OUCH, RASH, FIX or QIX only. Market Maker Peg Orders are not available during the Night Session. Market Maker Peg Orders designated for the Night Session will be rejected. A Market Maker Peg Order must be entered with a limit price beyond which the Order may not be priced. The Reference Price for a Market Maker Peg Order to buy (sell) is the then-current National Best Bid (National Best Offer) (including Nasdaq), or if no such National Best Bid or National Best Offer, the most recent reported last-sale eligible trade from the responsible single plan processor for that day, or if none, the previous closing price of the security as adjusted to reflect any corporate actions (e.g., dividends or stock splits) in the security.

* * * * *

(8) (A) A "**Market On Open Order**" or "**MOO Order**" is an Order Type entered without a price that may be executed only during the Nasdaq Opening Cross. Subject to the qualifications provided below, MOO Orders may be entered between 4 a.m. ET and immediately prior to 9:28 a.m. ET. An MOO Order may be cancelled or modified until immediately prior to 9:25 a.m. ET. An MOO Order shall execute only at the price determined by the Nasdaq Opening Cross.

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(9) (A) A "**Limit On Open Order**" or "**LOO Order**" is an Order Type entered with a price that may be executed only in the Nasdaq Opening Cross, and only if the price determined by the Nasdaq Opening Cross is equal to or better than the price at which the LOO Order was entered. Subject to the qualifications provided below, LOO Orders may be entered between 4 a.m. ET and immediately prior to 9:28 a.m. ET but may not be cancelled or modified at or after 9:25 a.m. ET. Between 9:28 a.m. ET and 9:29:30 a.m. ET, an LOO Order may be entered, provided that there is a First Opening Reference Price or a Second Opening Reference Price. An LOO Order entered after 9:29:30 a.m. ET that is designated as an IOC will be rejected. An LOO Order entered between 9:28 a.m. ET and 9:29:30 a.m. ET will be accepted at its limit price, unless its limit price is higher (lower) than the higher (lower) of the First Opening Reference Price and the Second Opening Reference Price for an LOO Order to buy (sell), in which case the LOO Order will be handled consistent with the Participant's instruction that the LOO Order is to be: (1) rejected; or (2) re-priced to the higher (lower) of the First Opening Reference Price and the Second Opening Reference Price, provided that if either the First Opening Reference Price or the Second Opening Reference Price is not at a permissible minimum increment, the First Opening Reference Price or the Second Opening Reference Price, as applicable, will be rounded (i) to the nearest permitted minimum increment (with midpoint prices being rounded up) if there is no imbalance, (ii) up if there is a buy imbalance, or (iii) down if there is a sell imbalance. The default configuration for Participants that do not specify otherwise will be to have such LOO Orders re-priced rather than rejected.

(B) The following Order Attributes may be assigned to a Limit On Open Order:

- Price.
- Size.
- Time-in-Force. In general, an LOO Order may execute only in the Nasdaq Opening Cross. However, a Participant may designate the Time-in-Force for an LOO Order either by designating a Time-in-Force of "On Open," in which case the Order will execute solely in the Nasdaq Opening Cross, or by entering another Order Type and Time-in-Force and flagging the Order to participate in the Nasdaq Opening Cross. In the latter case, if the Participant designates a Time-in-Force of IOC, the Order will participate solely in the Nasdaq Opening Cross. If the Participant enters a Time-in-Force that continues after the time of the Nasdaq Opening Cross, the Order will participate in the Nasdaq Opening Cross like an LOO Order, while operating thereafter in accordance with its designated Order Type and Order Attributes (if not executed in full in the Nasdaq Opening Cross). Such an Order may be referred to as an "Opening Cross/Market Hours Order." If such an

Order has a Time-in-Force that continues until at least the time of the Nasdaq Closing Cross, the Order may be referred to as a "Cross to Cross Order."

Following the Nasdaq Opening Cross, an Opening Cross/Market Hours Order may not operate as a Post-Only Order, Midpoint Peg Post-Only Order, a Supplemental Order, a Retail Order, or an RPI Order. In the case of a Market Maker Peg Order entered prior to 9:28 a.m. ET that is also designated to participate in the Nasdaq Opening Cross, the price of the Order for purposes of operating as an LOO Order will be established on entry and will not thereafter be pegged until after the completion of the Nasdaq Opening Cross. An Opening Cross/Market Hours Order that has a Time-in-Force other than IOC and is entered between 9:29:30 a.m. ET and the time of the Nasdaq Opening Cross will be (i) held and entered into the System after the completion of the Nasdaq Opening Cross if it has been assigned a Routing Attribute, (ii) treated as an Opening Imbalance Only Order and entered into the System after the completion of the Nasdaq Opening Cross if entered through RASH, QIX, or FIX but not assigned a Routing Attribute, or (iii) treated as an Opening Imbalance Only Order and cancelled after the Nasdaq Opening Cross if entered through CORE FIX, OUCH or FLITE. An Opening Cross/Market Hours Order entered through RASH or FIX after the time of the Nasdaq Opening Cross will be accepted but the Nasdaq Opening Cross flag will be ignored. All other Opening Cross/Market Hours Orders entered at or after 9:28 a.m. will be rejected with the exception of certain LOO Orders discussed in subparagraph (A) above.

- Participation in the Nasdaq Opening Cross is required for this Order Type.

(10) (A) An "**Opening Imbalance Only Order**" or "**OIO Order**" is an Order Type entered with a price that may be executed only in the Nasdaq Opening Cross and only against MOO Orders, LOO Orders, or Early Market Hours Orders (as defined in Rule 4752). OIO Orders may be entered between 4:00 a.m. ET until the time of execution of the Nasdaq Opening Cross, but may not be cancelled or modified at or after 9:25 a.m. ET. If the entered price of an OIO Order to buy (sell) is higher than (lower than) the highest bid (lowest offer) on the Nasdaq Book, the price of the OIO Order will be modified repeatedly to equal the highest bid (lowest offer) on the Nasdaq Book; provided, however, that the price of the Order will not be moved beyond its stated limit price. Thus, for example, if an OIO Order to buy was entered with a price of \$11 and the current highest bid on the Nasdaq Book was \$10.99, the OIO Order would be priced at \$10.99. If the highest bid subsequently became \$10.98, the OIO Order would again be repriced. However, if the highest bid moved to \$11.01, the OIO Order would not be repriced.

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(11) (A) A "**Market On Close Order**" or "**MOC Order**" is an Order Type entered without a price that may be executed only during the Nasdaq Closing Cross. Subject to the qualifications provided below, MOC Orders may be entered between 4 a.m. ET and immediately prior to 3:55 p.m. ET. MOC Orders may be cancelled and/or modified between 4 a.m. ET and immediately prior to 3:50 p.m. ET. Between 3:50 p.m. ET and immediately prior to 3:58 p.m. ET, an MOC Order can be cancelled and/or modified only if the

Participant requests that Nasdaq correct a legitimate error in the Order (e.g., Side, Size, Symbol, or Price, or duplication of an Order). MOC Orders cannot be cancelled or modified at or after 3:58 p.m. ET for any reason. An MOC Order shall execute only at the price determined by the Nasdaq Closing Cross.

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(12) (A) A "**Limit On Close Order**" or "**LOC Order**" is an Order Type entered with a price that may be executed only in the Nasdaq Closing Cross (except as provided herein), and only if the price determined by the Nasdaq Closing Cross (except as provided herein) is equal to or better than the price at which the LOC Order was entered. Subject to the qualifications provided below, LOC Orders may be entered, cancelled, and/or modified between 4 a.m. ET and immediately prior to 3:50 p.m. ET. Between 3:50 p.m. ET and immediately prior to 3:55 p.m. ET, LOC Orders may be entered but can only be cancelled and/or modified if the Participant requests that Nasdaq correct a legitimate error in the Order (e.g., Side, Size, Symbol, or Price, or duplication of an Order). Between 3:55 p.m. ET and immediately prior to 3:58 p.m. ET, an LOC Order may be entered provided that there is a First Reference Price or a Second Reference Price. Between 3:55 p.m. ET and immediately prior to 3:58 p.m. ET, an LOC Order can only be cancelled and/or modified if the Participant requests that Nasdaq correct a legitimate error in the Order (e.g., Side, Size, Symbol, or Price, or duplication of an Order). LOC Orders cannot be cancelled or modified at or after 3:58 p.m.

An LOC Order entered between 3:55 p.m. ET and immediately prior to 3:58 p.m. ET will be accepted at its limit price, unless its limit price is higher (lower) than the higher (lower) of the First Reference Price and the Second Reference Price for an LOC Order to buy (sell), in which case the LOC Order will be handled consistent with the Participant's instruction that the LOC Order is to be: (1) rejected; or (2) re-priced to the higher (lower) of the First Reference Price and the Second Reference Price, provided that if either the First Reference Price or the Second Reference Price is not at a permissible minimum increment, the First Reference Price or the Second Reference Price, as applicable, will be rounded (i) to the nearest permitted minimum increment (with midpoint prices being rounded up) if there is no imbalance, (ii) up if there is a buy imbalance, or (iii) down if there is a sell imbalance. The default configuration for Participants that do not specify otherwise will be to have such LOC Orders re-priced rather than rejected.

If an LOC Order for a Nasdaq-listed security entered through RASH or FIX does not execute in full during the Nasdaq Closing Cross, as applicable, the Order will participate in the Extended Trading Close ("ETC Eligible LOC Order") if the Nasdaq Official Closing Price, as determined by the Nasdaq Closing Cross, is at or within the limit price of the Order. Alternatively, a Participant may opt to disable an LOC Order from participating in the Extended Trading Close, in which case, the System will cancel back to the Participant any shares of its LOC Order that remain unexecuted after the Closing Cross occurs. An ETC Eligible LOC Order may only execute against other ETC Eligible LOC Orders and ETC Orders. If an ETC Eligible LOC Order has not been executed fully at the conclusion of the Extended Trading Close, then any unexecuted portion of the Order will be canceled. At any

time during the Extended Trading Close, any unexecuted portion of an ETC Eligible LOC Order may be canceled or modified by the Participant.

(B) The following Order Attributes may be assigned to a Limit On Close Order:

- Price.
- Size.
- Time-in-Force. In general, an LOC Order may execute only in the Nasdaq Closing Cross and, depending upon a Participant's choice, in the Extended Trading Close, to the extent that it is an ETC Eligible LOC Order. A Participant may designate the Time-in-Force for an LOC Order either by designating a Time-in-Force of "On Close," in which case the Order will execute solely in the Nasdaq Closing Cross (and/or in the Extended Trading Close if it is an ETC Eligible LOC Order entered through RASH or FIX, and provided that the Participant has not opted to disable ETC eligibility for the Order), or by entering another Order Type and Time-in-Force and flagging the Order to participate in the Nasdaq Closing Cross, or the Extended Trading Close.

In the latter case, if the Participant designates a Time-in-Force of IOC, the Order will participate solely in the Nasdaq Closing Cross (except as provided herein) (and/or in the Extended Trading Close if it is an ETC Eligible LOC Order entered through RASH or FIX, and provided that the Participant has not opted to disable ETC eligibility for the Order). A Midpoint Peg Post-Only Order, Supplemental Order, or Market Maker Peg Order may not be flagged to solely participate in the Nasdaq Closing Cross.

If the Participant enters a Time-in-Force that continues after the time of the Nasdaq Closing Cross, the Order will participate in the Nasdaq Closing Cross like an LOC Order, while operating thereafter in accordance with its designated Order Type and Order Attributes (if not executed in full in the Nasdaq Closing Cross). Such an Order may be referred to as a "Closing Cross/Extended Hours_Order." Closing Cross/Extended Hours_Orders will bypass the Extended Trading Close.

A Post-Only Order, Midpoint Peg Post-Only Order, Supplemental Order, or Market Maker Peg Order may not operate as a Closing Cross/Extend Hours Order. A Closing Cross/Extended Hours Order will be rejected if it has been assigned a Pegging Attribute. A Closing Cross/Extended Hours Order entered through CORE FIX ,OUCH, FLITE, RASH, or FIX with a Time-in-Force other than IOC after the time of the Nasdaq Closing Cross will be accepted but the Nasdaq Closing Cross flag will be ignored. All other LOC Orders and Closing Cross/Extended Hours Orders entered at or after 3:58 p.m. ET will be rejected.

- Participation in the Nasdaq Closing Cross is required for this Order Type.

(13) (A) An "**Imbalance Only Order**" or "**IO Order**" is an Order entered with a price that may be executed only in the Nasdaq Closing Cross and only against MOC Orders or LOC Orders. IO

Orders may be entered between 4:00 a.m. ET until the time of execution of the Nasdaq Closing Cross, but may not be cancelled or modified at or after 3:50 p.m. ET. Between 3:50 p.m. ET and immediately prior to 3:58 p.m. ET, however, an IO Order can be cancelled and/or modified if the Participant requests that Nasdaq correct a legitimate error in the Order (e.g., Side, Size, Symbol, or Price, or duplication of an Order). IO Orders cannot be cancelled or modified at or after 3:58 p.m. ET for any reason.

* * * * *

(14) (A) A "**Midpoint Extended Life Order**" is an Order Type with a Non-Display Order Attribute that is priced at the midpoint between the NBBO and that will not be eligible to execute until a minimum time period ("Holding Period") has passed after acceptance of the Order by the System. Eligible Midpoint Extended Life Orders may only execute against other eligible Midpoint Extended Life Orders and M-ELO+CB Orders. Buy (sell) Midpoint Extended Life Orders will be ranked in time order at the midpoint among other Buy (Sell) Midpoint Extended Life Orders and buy (sell) MELO+ CB Orders. A Midpoint Extended Life Order may be cancelled at any time. If a Midpoint Extended Life Order is modified by a member (other than to decrease the size of the Order or to modify the marking of a sell Order as long, short, or short exempt) during the Holding Period, the System will restart the Holding Period. If a Midpoint Extended Life Order is modified by a member (other than to decrease the size of the Order or to modify the marking of a sell Order as long, short, or short exempt) after it is eligible to execute, the Order will have to satisfy a new Holding Period to become eligible to execute. Midpoint Extended Life Orders are not eligible to participate in the Night Session. Midpoint Extended Life Orders designated for the Night Session will be rejected.

At the commencement of Regular Market Hours, the initial Holding Period for a Midpoint Extended Life Order in a particular symbol will be 1.25 milliseconds. However, the System may, based upon its proprietary assessment of market conditions for that symbol, decide to vary the default Holding Period of all Midpoint Extended Life Orders in a symbol in increments of 0.25 or 0.50 milliseconds, and within an overall range of between 0.25 and 2.50 milliseconds during normal market conditions (described below), beginning 30 seconds after Regular Market Hours commences and then at 30 second intervals thereafter until Regular Market Hours conclude ("Change Events"). Whenever a Midpoint Extended Life Order in a symbol enters the Exchange Book during Regular Market Hours, it will adopt the then-prevailing Holding Period that the System chose for all Midpoint Extended Life Orders in that symbol as of the immediately preceding Change Event. The Holding Period for the Midpoint Extended Life Order will not be eligible for modification until the next scheduled Change Event occurs for all Midpoint Extended Life Orders in that symbol, at which point all pending Midpoint Extended Life Orders in a symbol with unexpired Holding Periods will adopt the modifications that the System then makes to the Holding Period (retroactive to the time of acceptance of the Midpoint Extended Life Orders).

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For purposes of this rule, the phrase "proprietary assessment of market conditions" refers to the Exchange's evaluation of prevailing market conditions for a given symbol using an

algorithm programmed to set a Holding Period duration which, at each Change Event, achieves an optimal blend of two objectives: maximization of M-ELO fill rates; and minimization of M-ELO mark-out rates. For this purpose, the algorithm ingests and analyzes 142 data points, which the Exchange identifies and describes in Exhibit 3b of SR-NASDAQ-2022-079 Amendment 2, which is available on the Exchange's website. The Exchange derives these data from a combination of public data and M-ELO data feeds. Furthermore, the Exchange conducts weekly re-trainings of the algorithm, outside of Regular Market Hours, to improve its performance relative to the immediately preceding period (in terms of the two aforementioned objectives). The Exchange deploys a retrained version of the algorithm only if it determines that doing so will, in fact, improve its performance relative to the immediately preceding period. The Exchange provides further information about the algorithm and the retraining process in a White Paper attached as Exhibit 3a to SR-NASDAQ-2022-079 Amendment 2, which is available on the Exchange's website.

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(B) The following Order Attributes may be assigned to a Midpoint Extended Life Order:

- Minimum Quantity.
- Size.
- Time-in-Force. Regardless of the Time-in-Force entered, a Midpoint Extended Life Order may not be active outside of Regular Market Hours. A Midpoint Extended Life Order entered during Pre-Market Hours will be held by the System in time priority until Regular Market Hours. Midpoint Extended Life Orders entered during Post-Market Hours will not be accepted by the System. A Midpoint Extended Life Order remaining unexecuted after 4:00 p.m. ET will be cancelled by the System. If a Midpoint Extended Life Order is entered with a Time-In-Force of IOC, it will execute against available eligible resting interest immediately upon the expiration of the Holding Period; if no such resting interest is available, or shares of the Order remain unexecuted after executing against eligible resting interest, then the System will automatically cancel the Order or the remaining shares of the Order, as applicable; if the Order is ineligible to begin the Holding Period upon entry, then the System will cancel it immediately.
- Non-Display. All Midpoint Extended Life Orders are Non-Displayed.

(15) A "**Midpoint Extended Life Order Plus Continuous Book**" or "**M-ELO+CB**" is an Order Type that has all of the characteristics and attributes of a Midpoint Extended Life Order, as set forth above in subparagraph (14), except as follows:

- A M-ELO+CB that satisfies the Holding Period shall be eligible to execute (at the midpoint of the NBBO) against other eligible M-ELO+CBs, eligible Midpoint Extended Life Orders, and as described below, Non-Displayed Orders with Midpoint Pegging("Midpoint Pegging Orders") resting on the Exchange's Continuous Book. A M-ELO+CB shall be eligible to execute against a Midpoint Pegging Order if: (i) the Midpoint Pegging Order has the Trade Now Attribute

enabled; (ii) no other order is resting on the Continuous Book that has a more aggressive price than the current midpoint of the NBBO; (iii) the Midpoint Pegging Order has rested on the Exchange's Continuous Book for a minimum of the duration of the Holding Period then applicable to a M-ELO+CB in that symbol after the NBBO midpoint falls within the limit set by the participant; and (iv) the Midpoint Pegging Order satisfies any minimum quantity requirement of the M-ELO+CB. A buy (sell) MELO+ CB will be ranked in time order at the midpoint among other buy (sell) MELO+ CBs, buy (sell) Midpoint Extended Life Orders, and buy (sell) Midpoint Pegging Orders, as of the time when such Orders become eligible to execute.

• M-ELO+CB orders are not eligible to participate in the Night Session. M-ELO+CB orders designated for the Night Session will be rejected.

• QIX is not available for the entry of a M-ELO+CB.

• Nasdaq will include M-ELO+CB executions in the statistical information it publishes on Nasdaqtrader.com for M-ELOs.

(16) (A) A “**Company Direct Listing Order**” or “**CDL Order**” is a “**market order**” entered without a price that may be executed only in the Nasdaq Halt Cross for a Direct Listing with a Capital Raise (as defined in Listing Rule IM-5315-2). The price of the CDL Order will be set in accordance with the requirements of Rule 4120(c)(9)(B). A CDL Order may be entered only on behalf of the issuer and only by one member. A CDL Order must be executed in full in the Nasdaq Halt Cross. A CDL Order may not be cancelled or modified. CDL Orders are not eligible to participate in the Night Session. CDL Orders designated for the Night Session will be rejected.

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(17) (A) An "Extended Trading Close" Order or "ETC Order" is an Order Type applicable to Nasdaq-listed securities that may be executed only during the Extended Trading Close and only at the Nasdaq Official Closing Price, as determined by the Nasdaq Closing Cross. The System will not accept an ETC Order entered on any day when insufficient interest exists in the System to conduct a Closing Cross for that security or when the Exchange invokes contingency procedures due to a disruption that prevents execution of the Closing Cross. An ETC Order may only execute against other ETC Orders and ETC Eligible LOC Orders. ETC Orders may be entered, cancelled and/or modified between the time when the Extended Trading Close commences and ends. The System will reject an ETC Order that is submitted prior to the commencement of the Extended Trading Close. If an ETC Order has not been fully executed at the conclusion of the Extended Trading Close, then any unexecuted portion of the Order will be canceled. ETC Orders are not eligible to participate in the Night Session. ETC Orders designated for the Night Session will be rejected.

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4703. Order Attributes

As described in Rule 4702, the following Order Attributes may be assigned to those Order Types for which they are available.

(a) Time-in-Force

The "**Time-in-Force**" assigned to an Order means the period of time that the Nasdaq Market Center will hold the Order for potential execution. Participants specify an Order's Time-in-Force by designating a time at which the Order will become active and a time at which the Order will cease to be active. The available times for activating Orders are:

- The time of the Order's receipt by the Nasdaq Market Center;
- the Nasdaq Opening Cross (or 9:30 a.m. ET in the case of a security for which no Nasdaq Opening Cross occurs);
- Regular Market Hours, beginning after the completion of the Nasdaq Opening Cross (or at 9:30 a.m. ET in the case of a security for which no Nasdaq Opening Cross occurs);
- the Nasdaq Closing Cross (or the end of Regular Market Hours in the case of a security for which no Nasdaq Closing Cross occurs);
- 7:00 a.m. ET, in the case of an Order using the SCAN or RFTY routing strategy that is entered prior to 7:00 a.m. ET;
- 8:00 a.m. ET, in the case of an Order using the SCAN or RFTY routing strategy that is entered prior to 8:00 a.m. ET
- the beginning of the Display-Only Period, in the case of a security that is the subject of a trading halt and for which trading will resume pursuant to a halt cross; and
- the resumption of trading, in the case of a security that is the subject of a trading halt and for which trading resumes without a halt cross.

The available times for deactivating Orders are:

- "Immediate" (i.e., immediately after determining whether the Order is marketable);
- the end of Regular Market Hours;
- the end of System Hours, in accordance with the definition of "System Hours" in Rule Equity 1, Section 1(a)(9); or

- a specific time identified by the Participant; provided, however, that an Order specifying an expire time beyond the current trading day will be cancelled at the end of the current trading day.
- a specified time identified by the Participant; provided, however, that an Order specifying an expire time after 4:00 AM ET will expire at the conclusion of the Night Session at 4:00 AM ET.

Notwithstanding the Time-in-Force originally designated for an Order, a Participant may always cancel an Order after it is entered.

The following Times-in-Force are referenced elsewhere in Nasdaq's Rules by the designations noted below:

- (1) An Order that is designated to deactivate immediately after determining whether the Order is marketable may be referred to as having a Time in Force of "Immediate or Cancel" or "IOC". Except as provided in Rule 4702 with respect to Opening Cross/Market Hours Orders and Closing Cross/Extended Hours Orders, MOO, LOO, OIO, MOC, LOC and OI Orders all have a Time in Force of IOC, because they are designated for execution in the Nasdaq Opening Cross or the Nasdaq Closing Cross, as applicable, and are cancelled after determining whether they are executable in such cross. Such an Order may also be referred to as having a Time-in-Force of "On Open" or "On Close", respectively. An MOO, LOO, OIO, MOC, LOC or IO Order, or any other Order with a Time-in-Force of IOC entered between 9:30 a.m. ET and 4:00 p.m. ET, may be referred to as having a Time-in-Force of "Market Hours Immediate or Cancel" or "MIOC". For IOC Orders for halted securities, see Rule 4753(e).
- (2) An Order that is designated to deactivate at 8:00 p.m. may be referred to as having a Time in Force of "System Hours Day" or "SDAY"; provided, however, that an Order designated for participation in the Night Session that is designated as having a Time in Force of "System Hours Day" or "SDAY" will deactivate at 4:00 AM ET.
- (3) An Order that is designated to deactivate one year after entry may be referred to as a "Good-till-Cancelled" or "GTC" Order. If a GTC Order is designated as eligible for execution during Regular Market Hours only, it may be referred to as having a Time in Force of "Market Hours Good-till-Cancelled" or "MGTC". If a GTC is designated as eligible for execution during **System Hours**, it may be referred to as having a Time in Force of "System Hours Good-till-Cancelled" or "SGTC".
- (4) An Order that is designated to deactivate at the time specified in advance by the entering Participant may be referred to as having a Time-in-Force of "System Hours Expire Time" or "SHEX".
- (5) An Order that is designated to activate at any time during Regular Market Hours and deactivate at the completion of the Nasdaq Closing Cross may be referred to as having a

Time-in-Force of "Market Hours Day" or "MDAY". An Order entered with a Time-in-Force of MDAY after the completion of the Nasdaq Closing Cross will be rejected.

- (6) An Order that is designated to activate when entered and deactivate at the completion of the Nasdaq Closing Cross may be referred to as having a Time in Force of "Good-till- Market Close" or "GTMC". GTMC Orders entered after 4:00 p.m. ET will be rejected.
 - (7) A Participant entering an Order using the SCAN or RFTY routing strategy may designate the Order to activate upon entry, at 7:00 a.m. ET if entered prior to 7:00 a.m. ET on the same day, or at 8:00 a.m. ET if entered prior to 8:00 a.m. ET on the same day.
 - (8) An Order that is designated to activate upon the commencement of the Extended Trading Close and deactivate upon the conclusion of the Extended Trading Close may be referred to as having a Time in Force of "ETC."
- (b) **Size.** Except as otherwise provided, an Order may be entered in any whole share size between one share and 999,999 shares. Orders for fractional shares are not permitted. The following terms may be used to describe particular Order sizes:
- (1) "normal unit of trading" or "round lot" means the size generally employed by traders when trading a particular security, which is 100 shares in most instances;
 - (2) "mixed lot" means a size of more than one normal unit of trading but not a multiple thereof; and
 - (3) "odd lot" means a size of less than one normal unit of trading.
- (c) **Price.** With limited exceptions, all Orders must have a price, such that they will execute only if the price available is equal to or better than the price of the Order. The maximum price that the System will accept is \$199,999.99. MOO and MOC Orders are not assigned a price by the entering party and execute at the price of the Nasdaq Opening Cross and Nasdaq Closing Cross, respectively. Moreover, certain Orders have a price that is determined by the Nasdaq Market Center based on the NBBO or other reference prices, rather than by the Participant. As described below with respect to the Pegging Order Attribute, an Order may have a price that is pegged to the opposite side of the market, in which case the Order will behave like a "market order" or "unpriced order" (i.e., an Order that executes against accessible liquidity on the opposite side of the market, regardless of its price).
- (d) **Pegging.** Pegging is an Order Attribute that allows an Order to have its price automatically set with reference to the NBBO; provided, however, that if Nasdaq is the sole market center at the Best Bid or Best Offer (as applicable), then the price of any Displayed Order with Primary Pegging (as defined below) will be set with reference to the highest bid or lowest offer disseminated by a market center other than Nasdaq. An Order with a Pegging Order Attribute may be referred to as a "Pegged Order." For purposes of this rule, the price to which an Order is pegged will be referred to as the Inside Quotation, the Inside Bid, or the Inside Offer, as appropriate. There are three varieties of Pegging:

- Primary Pegging means Pegging with reference to the Inside Quotation on the same side of the market. For example, if the Inside Bid was \$11, an Order to buy with Primary Pegging would be priced at \$11.
- Market Pegging means Pegging with reference to the Inside Quotation on the opposite side of the market. For example, if the Inside Offer was \$11.06, an Order to buy with Market Pegging would be priced at \$11.06.
- Midpoint Pegging means Pegging with reference to the midpoint between the Inside Bid and the Inside Offer (the "Midpoint"). Thus, if the Inside Bid was \$11 and the Inside Offer was \$11.06, an Order with Midpoint Pegging would be priced at \$11.03. An Order with Midpoint Pegging is not displayed. An Order with Midpoint Pegging may be executed in sub-pennies if necessary to obtain a midpoint price. Participants may specify two alternative forms of Midpoint Pegging when entering an Order: "Managed Midpoint" Orders, which the System may update in response to changes to the Midpoint; and "Fixed Midpoint" Orders, which the System will cancel in response to changes to the Midpoint, as set forth below.

Pegging is available only during Regular Market Hours. The System will cancel a Peg Managed Order that is designated for [e]Extended [h]Hours trading if that Order remains unexecuted upon completion of the Nasdaq Closing Cross, whereas for a Fixed Midpoint Order in the same scenario, the System will deactivate the Pegging Attribute for the Order once [e]Extended [h]Hours trading commences. An Order with Pegging may specify a limit price beyond which the Order may not be executed; provided, however, that if an Order has been assigned a Pegging Order Attribute and a Discretion Order Attribute, the Order may execute at any price within the discretionary price range, even if beyond the limit price specified with respect to the Pegging Order Attribute. If an Order with Pegging is priced at its limit price, the price of the Order may nevertheless be changed to a less aggressive price based on changes to the Inside Quotation. In addition, an Order with Primary Pegging or Market Pegging may specify an Offset Amount, such that the price of the Order will vary from the Inside Quotation by the selected Offset Amount. The Offset Amount may be either aggressive or passive. Thus, for example, if a Participant entered an Order to buy with Primary Pegging and a passive Offset Amount of \$0.05 and the Inside Bid was \$11, the Order would be priced at \$10.95. If the Participant selected an aggressive Offset Amount of \$0.02, however, the Order would be priced at \$11.02. An Order with Primary Pegging and an Offset Amount will not be Displayed, unless the Order is Attributable. An Order with Midpoint Pegging will not be Displayed. An Order with Market Pegging and no Offset behaves as a "market order" with respect to any liquidity on the Nasdaq Book at the Inside Quotation on the opposite side of the market because it is immediately executable at that price.

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(e) **Minimum Quantity.** Minimum Quantity is an Order Attribute that allows a Participant to provide that an Order will not execute unless a specified minimum quantity of shares can be obtained. An Order with a Minimum Quantity Order Attribute may be referred to as a "Minimum

Quantity Order." For example, a Participant could enter an Order with a Size of 1000 shares and specify a Minimum Quantity of 500 shares.

A Participant may specify two alternatives with respect to the processing of a Minimum Quantity Order at time of entry:

- First, the Participant may specify that the minimum quantity condition may be satisfied by execution against multiple Orders. In that case, upon entry, the System would determine whether there were one or more posted Orders executable against the incoming Order with an aggregate size of at least the minimum quantity (500 shares in the above example). If there were not, the Order would post on the Nasdaq Book in accordance with the characteristics of its underlying Order Type.
- Second, the Participant may specify that the minimum quantity condition must be satisfied by execution against one or more Orders, each of which must have a size that satisfies the minimum quantity condition. If there are such Orders but there are also other Orders that do not satisfy the minimum quantity condition, the Minimum Quantity Order will execute against Orders on the Nasdaq Book in accordance with Rule 4757 (pertaining to execution priority) until it reaches an Order that does not satisfy the minimum quantity condition, and then the remainder of the Order will be cancelled. For example, if a Participant entered an Order to buy at \$11 with a size of 1,500 shares and a minimum quantity condition of 500 shares, and there were three Orders to sell at \$11 on the Nasdaq Book, two with a size of 500 shares each and one with a size of 200 shares, with the 200 share Order ranked in time priority between the 500 share Orders, the 500 share Order with the first time priority would execute and the remainder of the Minimum Quantity Order would be cancelled. Alternatively, if the Order would lock or cross Orders on the Nasdaq Book but none of the resting Orders would satisfy the minimum quantity condition, an Order with a minimum quantity condition to buy (sell) will be repriced to one minimum price increment lower than (higher than) the lowest price (highest price) of such Orders. For example, if there was an Order to buy at \$11 with a minimum quantity condition of 500 shares, and there were resting Orders on the Nasdaq Book to sell 200 shares at \$10.99 and 300 shares at \$11, the Order would be repriced to \$10.98 and ranked at that price.

Once posted to the Nasdaq Book, a Minimum Quantity Order retains its Minimum Quantity Order Attribute, such that the Order may execute only against incoming Orders with a size of at least the minimum quantity condition. An Order that has a Minimum Quantity Order Attribute and that posts to the Nasdaq Book will not be displayed.

Upon entry, an Order with a Minimum Quantity Order Attribute must have a size of at least one round lot. An Order entered through CORE FIX, OUCH or FLITE may have a minimum quantity condition of any size of at least one round lot. An Order entered through RASH, QIX or FIX must have a minimum quantity of one round lot or any multiple thereof, and a mixed lot minimum quantity condition will be rounded down to the nearest round lot. In the event that the shares remaining in the size of an Order with a Minimum Quantity Order Attribute following a partial execution thereof are less than the minimum quantity specified by the Participant entering the Order, the minimum quantity value of the Order will be reduced to the number of shares

remaining, unless otherwise noted in these rules. An Order with a Minimum Quantity Order Attribute may not be displayed; if a Participant marks an Order with both a Minimum Quantity Order Attribute and a Display Order Attribute, the System will accept the Order but will give a Time-in-Force of IOC, regardless of the Time-in-Force marked by the Participant. An Order marked with a Minimum Quantity Order Attribute and a Routing Order Attribute will be rejected, unless otherwise noted in these rules. An Order with a Minimum Quantity Order Attribute is ineligible to participate in the Nasdaq Opening, Halt or Closing Crosses, and is not included in the calculation of the Cross price.

(f) **Routing.** Routing is an Order Attribute that allows a Participant to designate an Order to employ one of several Routing Strategies offered by Nasdaq, as described in Rule 4758; such an Order may be referred to as a "Routable Order." Upon receipt of an Order with the Routing Order Attribute, the System will process the Order in accordance with the applicable Routing Strategy. In the case of a limited number of Routing Strategies, the Order will be sent directly to other market centers for potential execution. For most other Routing Strategies, the Order will attempt to access liquidity available on Nasdaq in the manner specified for the underlying Order Type and will then be routed in accordance with the applicable Routing Strategy. Shares of the Order that cannot be executed are then returned to Nasdaq, where they will (i) again attempt to access liquidity available on Nasdaq and (ii) post to the Nasdaq Book or be cancelled, depending on the Time-in-Force of the Order. Under certain Routing Strategies, the Order may be routed again if the System observes an accessible quotation of another market center, and returned to Nasdaq again for potential execution and/or posting to the Nasdaq Book. In connection with the trading of securities governed by Regulation NMS, all Orders shall be routed for potential execution in compliance with Regulation NMS. Where appropriate, Routable Orders will be marked as Intermarket Sweep Orders.

(g) **Discretion.** Discretion is an Order Attribute under which an Order has a non-displayed discretionary price range within which the entering Participant is willing to trade; such an Order may be referred to as a "Discretionary Order." Thus, an Order with Discretion has both a price (for example, buy at \$11) and a discretionary price range (for example, buy up to \$11.03). Depending on the Order Type used, the price may be displayed (for example, a Price to Display Order) or non-displayed (for example, a Non-Displayed Order). The discretionary price range is always non-displayed. In addition, it should be noted that the Discretion Order Attribute may be combined with the Pegging Order Attribute, in which case either the price of the Order or the discretionary price range or both may be pegged in the ways described in Rule 4702(d) with respect to the Pegging Order Attribute. For example, an Order with Discretion to buy might be pegged to the Best Bid with a \$0.05 passive Offset and might have a discretionary price range pegged to the Best Bid with a \$0.02 passive Offset. In that case, if the Best Bid was \$11, the price of the Order would be \$10.95, with a discretionary price range up to \$10.98. If the Best Bid moved to \$10.99, the price of the Order would then be \$10.94, with a discretionary price range up to \$10.97. Alternatively, if the price of the Order was pegged but the discretionary price range was not, the price of the Order would be \$10.94, but the discretionary price range would continue to range up to \$10.98. Likewise, if the discretionary price range was pegged but the price of the Order was not, the Order would remain priced at \$10.95 but with a discretionary price range of up to \$10.97. A Participant may also specify a limit on the discretionary price range of an Order that is entered with a Discretionary Pegging Attribute, beyond which the

discretionary pegged price may not extend. The Discretion order attribute is available during the Night Session, provided however, that during the Night Session, the Discretion order attribute may not be combined with the Pegging Order attribute. Orders designated for the Night Session that combine the Discretion attribute with a Pegging attribute will be rejected.

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(h) **Reserve Size.** Reserve Size is an Order Attribute that permits a Participant to stipulate that an Order Type that is displayed may have its displayed size replenished from additional non-displayed size. An Order with Reserve Size may be referred to as a "Reserve Order." At the time of entry, the displayed size of such an Order selected by the Participant must be one or more normal units of trading; an Order with a displayed size of a mixed lot will be rounded down to the nearest round lot. A Reserve Order with displayed size of an odd lot: (i) entered using CORE FIX or OUCH will be rejected; or (ii) entered using RASH or FIX will be accepted but with the full size of the Order displayed. Reserve Size is not available for Orders that are not displayed; provided, however, that if a Participant enters Reserve Size for a Non-Displayed Order, the full size of the Order, including Reserve Size, will be processed as a Non- Displayed Order.

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In addition, the Participant may stipulate that the original and subsequent displayed size will be an amount randomly determined based on factors selected by the Participant (a "**Random Reserve**"). When a Participant stipulates use of a Random Reserve, the Participant would select both (i) a nominal displayed size and (ii) a range size, which may be any share amount less than the nominal displayed size. The actual displayed size will then be randomly determined by the System from a range of normal trading units in which the minimum size is the nominal displayed size minus the range size, and the maximum size is (i) the minimum size plus (ii) an amount that is two times the range size minus one round lot. For example, if the nominal displayed size is 600 shares and the range size is 500, the minimum displayed size will be 100 shares (600-500), and the maximum size will be 1,000 shares ((600-500) + ((2 x 500) - 100)).

When the Displayed Order with Reserve Size is executed and replenished, applicable market data disseminated by Nasdaq will show the execution and decrementation of the Displayed Order, followed by replenishment of the Displayed Order.

(i) **Attribution.** Attribution is an Order Attribute that permits a Participant to designate that the price and size of the Order will be displayed next to the Participant's MPID in market data disseminated by Nasdaq. An Order with Attribution is referred to as an "**Attributable Order**" and an Order without attribution is referred to as a "**Non- Attributable Order.**"

(j) **Intermarket Sweep Order.** Designation of an Order as an Intermarket Sweep Order, or ISO, is an Order Attribute that allows the Order to be executed within the Nasdaq Market Center by Participants at multiple price levels without respect to Protected Quotations of other market centers within the meaning of Rule 600(b) under Regulation NMS. ISOs are immediately executable within the Nasdaq Market Center against Orders against which they are marketable. An Order designated as an ISO may not be assigned a Routing Order Attribute; provided,

however, that an Order using the Directed Order strategy may be designated as an ISO with respect to the market center to which it is directed. In connection with the trading of securities governed by Regulation NMS, Intermarket Sweep Orders shall be executed exclusively within the System and the entering Participant shall be responsible for compliance with Rules 610 and 611 under Regulation NMS with respect to order protection and locked and crossed markets with respect to such Orders. Orders eligible for execution outside the System shall be processed in compliance with Regulation NMS, including accessing Protected Quotations and resolving locked and crossed markets, as instructed.

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(k) **Display.** Display is an Order Attribute that allows the price and size of an Order to be displayed to market participants via market data feeds. All Orders that are Attributable are also displayed, but an Order may be displayed without being Attributable. As discussed in Rule 4702, a Non-Displayed Order is a specific Order Type, but other Order Types may also be non-displayed if they are not assigned a Display Order Attribute; however, depending on context, all Orders that are not displayed may be referred to as "Non-Displayed Orders." An Order with a Display Order Attribute may be referred to as a "Displayed Order."

(l) **Participation in the Nasdaq Opening Cross or the Nasdaq Closing Cross.** All Order Types except Midpoint Peg Post-Only Orders and Supplemental Orders and Midpoint Extended Life Orders and M-ELO+CBs participate in the Nasdaq Opening Cross and/or the Nasdaq Closing Cross if the Order has a Time-in-Force that would cause the Order to be in effect at the time of the Nasdaq Opening Cross and/or Nasdaq Closing Cross. MOO Orders, LOO Orders, and IOI Orders participate in the Nasdaq Opening Cross in the manner specified in Rule 4752. Other Order Types eligible to participate in the Nasdaq Opening Cross operate as "**Market Hours Orders**" or "**Open Eligible Interest**" as specified in Rule 4752. MOC Orders, LOC Orders and IO Orders participate in the Nasdaq Closing Cross in the manner specified in Rule 4754. Other Order Types eligible to participate in the Nasdaq Closing Cross operate as "Close Eligible Interest" in the manner specified in Rule 4754. For purposes of the Nasdaq Opening Cross or Closing Cross, an Order to buy (sell) that is locked or crossed at its non-displayed price by a Post-Only Order on the Nasdaq Book shall be deemed to have a price at one minimum price increment below (above) the price of the Post-Only Order.

(m) **Trade Now.** Trade Now is an Order Attribute that allows: (i) a resting Order that is locked or crossed, as applicable, at its non-displayed price by the posted price of an incoming Displayed Order or a Midpoint Peg Post-Only Order or another Order or Orders (where such locking or crossing Order(s) or the order with Trade Now satisfies a Minimum Quantity condition) to execute against a locking or crossing Order(s) as a liquidity taker automatically when such Orders become marketable; and (ii) a Non-Displayed Order with Midpoint Pegging to execute against a M-ELO+CB automatically, subject to the eligibility requirements set forth below. Any remaining shares of the resting Order will remain posted on the Nasdaq Book with the same priority.

- When entered through the CORE FIX, OUCH, RASH or FIX protocols, the Trade Now Order Attribute may be enabled on an order-by-order or a port-level basis. When entered

through [OUCH or]FLITE, the Trade Now Order Attribute may be enabled on a port-level basis for all Order Types that support it, and for the Non-Displayed Order Type, also on an order-by-order basis.

- If there is a resting Order on the Nasdaq Book without the Trade Now Attribute that is locked at its non-displayed price by a Midpoint Peg Post-Only Order, new incoming Orders (with or without the Trade Now Attribute, as applicable) will be able to execute against the Midpoint Peg Post-Only Order at the locking price. The resting Order will remain on the Nasdaq Book and will retain its priority relative to other resting orders on the same side of the market after the subsequent Order has executed against the Midpoint Peg Post-Only Order.
- When a participant enables the Trade Now Attribute for a Midpoint Order, then the Midpoint Order will also be eligible to execute against a M-ELO+CB after the Midpoint Order rests on the Continuous Book for a minimum of one-half second after the NBBO midpoint falls within the limit set by the participant and provided that the Midpoint Order satisfies any minimum quantity requirement of the M-ELO+CB.
- If there is a resting Midpoint Order on the Nasdaq Book without the Trade Now Attribute, a new incoming Midpoint Order with the Trade Now Attribute will be able to execute against a MELO+CB. The resting Midpoint Order will remain on the Nasdaq Book and will retain its priority relative to other resting orders on the same side of the market after the subsequent Midpoint Order with Trade Now has executed against the M-ELO+CB

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4752. Opening Process

(a) Definitions. For the purposes of this rule the term:

(1) "Early Opening Order Imbalance Indicator" shall mean a message disseminated by electronic means containing the same information as the Order Imbalance Indicator, except that it will exclude information about indicative prices, as set forth in subparagraph (a)(3)(E) herein.

(2) "**Imbalance**" shall mean the number of shares of buy or sell MOO, LOO or Early Market Hours orders that may not be matched with other MOO, LOO, Early Market Hours, or OIO order shares at a particular price at any given time.

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(d) **Processing of Nasdaq Opening Cross.** For System securities, the Nasdaq Opening Cross shall occur at 9:30, and market hours trading shall commence when the Nasdaq Opening Cross concludes.

(1) Early Order Imbalance Indicator and Order Imbalance Indicator.

- (A) Beginning at 9:25 a.m., Nasdaq shall disseminate by electronic means an early Order Imbalance Indicator every 10 seconds until the Order Imbalance Indicator begins to disseminate.
- (B) Beginning at 9:28 a.m., Nasdaq shall disseminate by electronic means an Order Imbalance Indicator every second until market open.
- (2) (A) The Nasdaq Opening Cross shall occur at the price that maximizes the number of shares of MOO, LOO, OIO, Early Market Hours orders, and executable quotes and orders in the Nasdaq Market Center to be executed.
- (B) If more than one price exists under subparagraph (A), the Nasdaq Opening Cross shall occur at the price that minimizes the number of shares of buy or sell MOO, LOO or Early Market Hours orders that may not be matched with other MOO, LOO, Early Market Hours, Open Eligible Interest, or OIO order shares.

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(F) **Opening Cross Eligibility:** In addition to the Nasdaq Opening Cross price process of subparagraphs (A) through (E), each security in the Nasdaq Opening Cross must also pass one of the Opening Cross Price Tests in subparagraphs (i) through (iii) below or all MOO, LOO, OIO, and Early Market Hours orders in the Nasdaq Opening Cross in the security will be cancelled back to Participants, no Nasdaq Opening Cross in that security will occur, and the security will open for [r]Regular [m]Market [h]Hours trading consistent with paragraph (c) above. Each Opening Cross Price Test applies a price range within which the Opening Cross Price, as calculated by subparagraphs (A) through (E) above, must fall to pass the individual Opening Cross Price Test. For each Opening Cross Price Test, Nasdaq will calculate the price range by using a threshold applied to the unique measures under each test. Nasdaq will establish and publish the thresholds used in the Opening Cross Price Tests below. Nasdaq management shall set and modify the Opening Cross Price Test thresholds from time to time upon prior notice to market participants.

(i) **Opening Cross Price Test A.** For Nasdaq listed securities, the Opening Cross price range for Test A is established by adding and subtracting the Opening Cross Price Test A threshold from the Nasdaq Official Closing Price of the security for the previous trading day. For non-Nasdaq listed securities, the Opening Cross price range for Test A is established by adding and subtracting the Opening Cross Price Test A threshold from the consolidated closing price of the security for the previous trading day. For new Exchange Traded Products that do not have a Nasdaq Official Closing Price, the Opening Cross price range is established by adding and subtracting the Opening Cross Price Test A threshold from the offering price. For securities subject to a corporate action where the Exchange can calculate a derived price based on the terms of the corporate action, the Opening Cross price range for Test A is established by adding and subtracting the Opening Cross Price Test A threshold from such derived price. If the Nasdaq Opening Cross price is higher or lower than the Opening Cross price range

established by this subparagraph or the security does not have a Nasdaq Official Closing Price or consolidated closing price for the previous trading day, offering price, or derived price, as applicable, Opening Cross Price Test B will be performed.

(ii) **Opening Cross Price Test B.** The Opening Cross price range for Test B is established by adding and subtracting the Opening Cross Price Test B threshold from the Nasdaq last sale (either round or odd lot) after 9:15 a.m. ET but prior to the Opening Cross. If the Nasdaq Opening Cross price is higher or lower than the Opening Cross price range established by this subparagraph or if there is no Nasdaq last sale, Opening Cross Price Test C will be performed.

(iii) **Opening Cross Price Test C.** The Opening Cross price range for Test C is established by adding to and subtracting the Opening Cross Price Test C threshold from the Nasdaq best bid (for Opening Cross prices that would be higher than the price used under subparagraph (i) above) or Nasdaq best offer (for Opening Cross prices that would be lower than the price used under subparagraph (i) above). For purposes of this test, if a security does not have a Nasdaq Official Closing Price or consolidated closing price for the previous trading day, offering price, or derived price, as applicable, Nasdaq will use a price of \$0. If the Nasdaq Opening Cross price is higher or lower than the Opening Cross price range established by this subparagraph all Orders in the Opening Cross will be cancelled back to Participants, no Opening Cross will occur, and the security will open for [r]Regular [m]Market [h]Hours trading consistent with paragraph (c) above.

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4753. Nasdaq Halt Cross

(a) Definitions.

For the purposes of this rule the term:

- (1) "**Imbalance**" shall mean the number of shares of Eligible Interest that may not be matched with other order shares at a particular price at any given time.
- (2) "**Market Order Imbalance**" shall mean the number of shares of Eligible Interest entered through market orders that would not be matched with other order shares at the time of the dissemination of an Order Imbalance Indicator.
- (3) "**Order Imbalance Indicator**" shall mean a message disseminated by electronic means containing information about Eligible Interest and the price at which such interest would execute at the time of dissemination. The Order Imbalance Indicator shall disseminate the following information:

(A) "**Current Reference Price**" shall mean:

- (i) The single price at which the maximum number of shares of Eligible Interest can be paired.
- (ii) If more than one price exists under subparagraph (i), the Current Reference Price shall mean the price that minimizes any Imbalance.
- (iii) If more than one price exists under subparagraph (ii), the Current Reference Price shall mean the entered price at which shares will remain unexecuted in the cross.
- (iv) If more than one price exists under subparagraph (iii), the Current Reference Price shall mean:
 - a. In the case of an IPO, the price that is closest to the Issuer's Initial Public Offering Price;
 - b. In the case of the initial pricing of a security listing under Listing Rules IM-5315-1, IM-5405-1, or IM-5505-1, for a security that has had recent sustained trading in a Private Placement Market (as defined in Rule 5005(a)(34)) prior to listing, the most recent transaction price in that market or, if none, a price determined by the Exchange in consultation with the financial advisor to the issuer identified pursuant to Rule 4120(c)(9).
 - c. In the case of the initial pricing of a security listing under Listing Rule IM-5315-2, the price that is closest to the price that is 20% below (calculated as provided for in Listing Rule IM-5315-2) the lowest price of the price range disclosed by the issuer in its effective registration statement;
 - d. In the case of another halt type in which the security has already traded during [normal] Regular [m]Market [h]Hours on that trading day, the price that is closest to the last Nasdaq execution prior to the trading halt;
 - e. In the case of another halt type in which the security has not already traded during [normal] Regular [m]Market [h]Hours on that trading day, the price that is closest to the previous Nasdaq Official Closing Price; and
 - f. In the case of the initial pricing of a security that traded in the over-the-counter market pursuant to FINRA Form 211 immediately prior to the initial pricing, the price that is closest to the most recent transaction price in that market.

Notwithstanding the foregoing, the Order Imbalance Indicator will not include the Current Reference Price if there is a Market Order Imbalance.

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(b) Processing of Nasdaq Halt Cross. For Nasdaq-listed securities that are the subject of a trading halt or pause initiated pursuant to Rule 4120(a)(1), (4), (5), (6), (7), (11), (14), or (15),

the Nasdaq Halt Cross shall occur at the time specified by Nasdaq pursuant to Rule 4120, and Regular Market [h]Hours trading shall commence when the Nasdaq Halt Cross concludes.

(1) At the beginning of the Display Only Period and continuing through the resumption of trading, Nasdaq shall disseminate by electronic means an Order Imbalance Indicator every second.

(2) (A) The Nasdaq Halt Cross shall occur at the price that maximizes the number of shares of Eligible Interest in the Nasdaq Market Center to be executed.

(B) If more than one price exists under subparagraph (A), the Nasdaq Halt Cross shall occur at the price that minimizes any Imbalance.

(C) If more than one price exists under subparagraph (B), the Nasdaq Halt Cross shall occur at the entered price at which shares will remain unexecuted in the cross.

(D) If more than one price exists under subparagraph (C), the Nasdaq Halt Cross shall occur at:

(i) In the case of an IPO, the price that is closest to the Issuer's Initial Public Offering Price;

(ii) In the case of the initial pricing of a security listing under Listing Rules IM-5315-1, IM-5405-1, or IM-5505-1, for a security that has had recent sustained trading in a Private Placement Market (as defined in Rule 5005(a)(34)) prior to listing, the most recent transaction price in that market or, if none, a price determined by the Exchange in consultation with the financial advisor to the issuer identified pursuant to Rule 4120(c)(9).

(iii) In the case of the initial pricing of a security listing under Listing Rule IM-5315-2, the price that is closest to the price that is 20% below (calculated as provided for in Listing Rule IM-5315-2) the lowest price of the price range disclosed by the issuer in its effective registration statement;

(iv) In the case of another halt type in which the security has already traded during [normal]Regular [m]Market [h]Hours on that trading day, the price that is closest to the last Nasdaq execution prior to the trading halt;

(v) In the case of another halt type in which the security has not already traded during [normal]Regular [m]Market [h]Hours on that trading day, the price that is closest to the previous Nasdaq Official Closing Price; and

(vi) In the case of the initial pricing of a security that traded in the over-the-counter market pursuant to FINRA Form 211 immediately prior to the initial pricing, the price that is closest to the most recent transaction price in that market.

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(c) Nasdaq-listed securities that are the subject of a trading halt initiated pursuant to Rule 4120(a) and in which no Halt Cross occurs, shall open for trading at the time specified by Nasdaq pursuant to Rule 4120 in the following manner:

(1) Orders shall be added to the book in time priority.

(2) The Nasdaq Official Opening Price for such securities shall be the first Nasdaq market center execution following trade resumption unless the security has already traded during Regular Market [h]Hours on that trading day.

(d) For purposes of the Nasdaq Halt Cross, an Order to buy (sell) that is locked or crossed at its non-displayed price by a Post-Only Order on the Nasdaq Book prior to the trading halt shall be deemed to have a price at one minimum price increment below (above) the price of the Post-Only Order.

(e) Any IOC Order for a halted security that is entered prior to the Nasdaq Closing Cross and for which the halt remains in effect at the commencement of the Nasdaq Closing Cross, shall either execute in the Nasdaq Closing Cross or be cancelled immediately after the Nasdaq Closing Cross. Any IOC Order for a halted security that is entered after the Nasdaq Closing Cross and for which the halt remains in effect at 8:00 p.m. ET (or 5:00 p.m. ET in the event of a Scheduled Early Close), shall be cancelled at 8:00 p.m. ET (or 5:00 p.m. ET in the event of a Scheduled Early Close).

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4754. Nasdaq Closing Cross

(a) **Definitions.** For the purposes of this rule the term:

(1) "**Close Eligible Interest**" shall mean any quotation or any order that may be entered into the system and designated with a time-in-force of SDAY, MDAY, SHEX, or GTMC. The System will delay processing any full cancellation request for Close Eligible Interest made during the Nasdaq Closing Cross until such time as the Nasdaq Closing Cross concludes, except for securities in a halt or pause. During a halt or pause, the System will process any full or partial cancellation request for Close Eligible Interest made for such halted or paused security during the Nasdaq Closing Cross.

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(b) **Processing of Nasdaq Closing Cross.** The Nasdaq Closing Cross will begin at 4:00:00 p.m. EST, and [p]Post-[m]Market [h]Hours trading will commence when the Nasdaq Closing Cross concludes.

(1) Early Order Imbalance Indicator and Order Imbalance Indicator.

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(5) Auxiliary Procedures. When significant trading volume is expected at the close of Regular Market [h]Hours, Nasdaq may apply auxiliary procedures for the Closing Cross to ensure a fair and orderly market. The determination to implement auxiliary procedures for the Closing Cross shall be made by the President of Nasdaq or any Executive Vice President designated by the President. Nasdaq shall inform market participants of such auxiliary procedures as far in advance as practicable. Auxiliary procedures shall include:

(A) Setting an earlier time or times for the end of the order entry periods set forth in paragraph (a) for IO, MOC, and LOC orders. Nasdaq may end the order entry period as early as 3:40 p.m.

(B) Setting an earlier time for the order modification and cancellation periods in paragraph (a) for IO, MOC, and LOC orders. Nasdaq may end the order modification and cancellation periods as early as 3:40 p.m.

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4756. Entry and Display of Quotes and Orders

(a) **Entry of Orders**—Participants can enter orders into the System, subject to the following requirements and conditions:

(1) Participants shall be permitted to transmit to the System multiple orders at a single as well as multiple price levels. Each order shall indicate the amount of Reserve Size (if applicable).

(2) The System shall time-stamp an order which shall determine the time ranking of the order for purposes of processing the order.

(3) Orders can be entered into the System (or previously entered Orders cancelled or modified) from 4:00 a.m. until 8:00 p.m. ET. Orders for the Night Session may be entered into the System (or previously entered Orders cancelled or modified) from 9 p.m. until 4:00 a.m. ET in accordance with the hours of operation for the Night Session. Participants may modify a previously entered Order without cancelling it or affecting the priority of the Order on the Nasdaq Book solely for the purpose of modifying the marking of a sell Order as long, short, or short exempt; provided, however, that such a modification may be made only with respect to Orders entered through OUCH or FLITE; and provided further, that if an Order is redesignated as short, a Short Sale Period is in effect under Rule 4763, and the Order is not priced at a Permitted Price or higher under Rule 4763(e), the Order will be cancelled. In addition, a partial cancellation of an Order to reduce its share size will not affect the priority of the Order on the book. Except as provided in Rule 4761, all other modifications of orders will result in the replacement of the original order with a new order with a new time stamp.

(4) Each Order is subject to a daily limit on the number of changes that may occur with respect to the Order; if the daily limit is reached, the Order will be cancelled. The number of permissible changes may vary by Order Type or Order Attribute and may change from time

to time. Nasdaq will post on its website what is considered a change for a particular Order Type and Order Attribute, and the current limits on the number of such changes.

(b) **Entry of Quotes**—Nasdaq Market Makers and Nasdaq ECNs can enter Quotes into the System from 4:00 a.m. to 8:00 p.m. Eastern Time. During the Night Session, Nasdaq Market Makers and Nasdaq ECNs can enter Quotes into the System from 9:00 p.m. ET to 4:00 a.m. Eastern Time. Quotes will be processed as Attributable Orders, with such time-in-force designation as the Nasdaq Market Maker or Nasdaq ECN may assign. Entry of Quotes will be subject to the requirements and conditions set forth in section (a) above.

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4758. Order Routing

(a) Order Routing Process

(1) The Order Routing Process shall be available to Participants during System Hours, unless otherwise noted in these rules, and shall route orders as described below. All routing of orders shall comply with Rule 611 of Regulation NMS under the Exchange Act.

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11890. Clearly Erroneous Transactions

(a) Authority to Review Transactions Pursuant to Complaint of Market Participant

(1) Definition.

For purposes of this rule, the terms of a transaction executed on Nasdaq are "clearly erroneous" when there is an obvious error in any term, such as price, number of shares or other unit of trading, or identification of the security. A transaction made in clearly erroneous error and cancelled by both parties or determined by Nasdaq to be clearly erroneous will be removed from the consolidated tape. Executions as a result of a Halt Auction under Rule 4120(c)(10) are not eligible for a request for review as clearly erroneous under this Rule.

(2) Requests and Timing of Review.

A member that receives an execution on an order that was submitted erroneously to Nasdaq for its own or customer account may request that Nasdaq review the transaction under this rule. An official of Nasdaq shall review the transaction under dispute and determine whether it is clearly erroneous, with a view toward maintaining a fair and orderly market and the protection of investors and the public interest. Such requests for review shall be made in writing via electronic complaint or other means specified from time to time by Nasdaq as announced in a Notice to Members or Head Trader Alert. A request for review shall include information concerning the

time of the transaction(s), security symbol(s), number of shares, or other unit of trading, price(s), side (bought or sold), and factual basis for believing that the trade is clearly erroneous. Upon receipt of a timely filed request that satisfies the guidelines set forth in paragraph (a)(2)(C) the counterparty to the trade shall be notified by Nasdaq as soon as practicable, but generally within 30 minutes. A Nasdaq official may request additional supporting written information to aid in the resolution of the matter. If requested, each party to the transaction shall provide, within 30 minutes of the request, any supporting written information. Either party to the disputed trade may request the supporting written information provided by the other party on the matter.

(A) Filing Time Periods

(i) Except as provided in paragraph (a)(2)(A)(ii) and (a)(2)(A)(iii), any member or person associated with a member that seeks to have a transaction reviewed pursuant to paragraph (a) hereof shall submit a written complaint to Nasdaq MarketWatch within 30 minutes of the execution time.

(ii) Routed executions to other market centers will generally have an additional 30 minutes from receipt of their participant's timely filing, but no longer than 60 minutes from the time of the execution at issue, to file with Nasdaq for review of transactions routed to Nasdaq from that market center and executed on Nasdaq.

(iii) In the case of an Outlier Transaction during Pre-Market Hours or Post-Market Hours or Night Session or eligible for review pursuant to paragraph (a)(2)(C)(1)(i), a Nasdaq official may at its sole discretion, and on a case-by-case basis, consider requests received pursuant to this rule after 30 minutes, but not longer than 60 minutes after the transaction in question, depending on the facts and circumstances surrounding such request. "Outlier Transaction" means a transaction where:

(A) the execution price of the security is greater than three times the current Numerical Guidelines set forth in paragraph (a)(2)(C)(2), or

(B) the execution price of the security in question is not within the Outlier Transaction parameters set forth in subparagraph (iii)(A) above, but the execution price breaches the 52-week high or 52-week low. In such cases, Nasdaq may consider Additional Factors as outlined in paragraph (a)(2)(C)(2)(iii), in determining if the transaction qualifies for further review or if Nasdaq shall decline to act.

(B) Once a party has applied to Nasdaq for review and the transaction has been determined to be eligible for review, the transaction shall be reviewed and a determination rendered, unless (i) both parties (or the party in the case of a cross order entered into one of Nasdaq's crossing networks) to the transaction agree to withdraw the application for review prior to the time a decision is rendered by the Nasdaq official, or (ii) the complainant withdraws its application for review prior to the notification of counterparties. In the event that the Nasdaq official determines that the transaction in dispute is clearly erroneous, the official shall declare the transaction null and void. A determination shall be made generally within 30 minutes of receipt of the complaint, but in no case later than the start of Regular Market Hours (9:30:00 to

4:00:00) or, for the Nasdaq Bond Exchange, no later than the start of the Bond Trading Session (8:30:00 to 4:00:00), on the following trading day. The parties shall be promptly notified of the determination.

(C) Clearly Erroneous Review.

(1) *Review of transactions occurring during Regular Market Hours.* If the execution time of the transaction(s) under review is during Regular Market Hours, the transaction will not be reviewable as clearly erroneous unless the transaction:

(i) is in an NMS Stock that is not subject to the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act (the “Limit Up-Limit Down Plan” or “LULD Plan”). In such case, the Numerical Guidelines set forth in subparagraph (C)(2) of this Rule will be applicable to such NMS Stock;

(ii) was executed at a time when Price Bands under the LULD Plan were not available, or is the result of an Exchange technology or systems issue that results in the transaction occurring outside of the applicable LULD Price Bands pursuant to paragraph (g), or is executed after the primary listing market for the security declares a regulatory trading halt, suspension, or pause pursuant to paragraph (i). A transaction subject to review pursuant to this paragraph shall be found to be clearly erroneous if the price of the transaction to buy (sell) that is the subject of the complaint is greater than (less than) the Reference Price, described in subparagraph (D) below, by an amount that equals or exceeds the applicable Percentage Parameter defined in Appendix A to the LULD Plan (“Percentage Parameters”); or

(iii) involved, in the case of (1) a corporate action or new issue or (2) a security that enters a Trading Pause pursuant to the LULD Plan and resumes trading without an auction, a Reference Price that is determined to be erroneous by an Officer of the Exchange or senior level employee designee because it clearly deviated from the theoretical value of the security. In such circumstances, the Exchange may use a different Reference Price pursuant to subparagraph (D)(2) of this Rule. A transaction subject to review pursuant to this paragraph shall be found to be clearly erroneous if the price of the transaction to buy (sell) that is the subject of the complaint is greater than (less than) the new Reference Price, described in subparagraph (D)(2) below, by an amount that equals or exceeds the Numerical Guidelines or Percentage Parameters, as applicable depending on whether the security is subject to the LULD Plan.

(2) *Review of transactions occurring during Pre-Market Hours or [and]Post-Market Hours or Night Session, or eligible for review pursuant to subparagraph (C)(1)(i).*

(i) Subject to the additional factors described in subparagraph (C)(2)(iii) below, a transaction executed during Pre-Market Hours or Post-Market Hours or Night Session, or eligible for review pursuant to subparagraph (C)(1)(i), shall be found to be clearly erroneous only if the price of the transaction to buy (sell) that is the subject of the complaint is greater than (less than) the Reference Price by an amount that equals or exceeds the Numerical Guidelines set forth below.

Reference Price, Circumstance or Product	<u>Regular</u> Market Hours Numerical Guidelines for transactions eligible for review pursuant to subparagraph (C)(1)(i) (Subject transaction's % difference from the Reference Price):	<u>Pre-Market Hours,[and] Post-Market Hours and Night Session Numerical Guidelines (Subject transaction's % difference from the Reference Price):</u>
Greater than \$0.00 up to and including \$25.00	10%	20%
Greater than \$25.00 up to and including \$50.00	5%	10%
Greater than \$50.00	3%	6%
Multi- Stock Event - Filings involving five or more, but less than twenty, securities whose executions occurred within a period of five minutes or less	10%	10%
Multi-Stock Event - Filings involving twenty or more securities whose executions occurred within a period of five minutes or less	30%, subject to the terms of subparagraph (C)(2)(ii) below	30%, subject to the terms of subparagraph (C)(2)(ii) below
Leveraged ETF/ETN securities	N/A	<u>Regular</u> Market Hours Numerical Guidelines multiplied by the

leverage multiplier (ie.
2x)

(ii) *Multi-Stock Events Involving Twenty or More Securities.* Multi-Stock Events involving twenty or more securities may be reviewable as clearly erroneous if they occur during Pre-Market Hours or Post-Market Hours or Night Session or are eligible for review pursuant to subparagraph (C)(1)(i). During Multi-Stock Events, the number of affected transactions is such that immediate finality may be necessary to maintain a fair and orderly market and to protect investors and the public interest. In such circumstances, Nasdaq may use a Reference Price other than consolidated last sale. To ensure consistent application across market centers when this paragraph is invoked, Nasdaq will promptly coordinate with the other market centers to determine the appropriate review period, which may be greater than the period of five minutes or less that triggered application of this paragraph, as well as select one or more specific points in time prior to the transactions in question and use transaction prices at or immediately prior to the one or more specific points in time selected as the Reference Price. Nasdaq will nullify as clearly erroneous all transactions that are at prices equal to or greater than 30% away from the Reference Price in each affected security during the review period selected by Nasdaq and other markets consistent with this paragraph.

(iii) *Additional Factors.* Except in the context of a Multi-Stock Event involving five or more securities, a Nasdaq official may also consider additional factors to determine whether an execution is clearly erroneous, provided the execution occurred during Pre-Market Hours or Post-Market Hours or Night Session or are eligible for review pursuant to subparagraph (C)(1)(i). Such additional factors include, but are not limited to, system malfunctions or disruptions, volume and volatility for the security, derivative securities products that correspond to greater than 100% in the direction of a tracking index, news released for the security, whether trading in the security was recently halted/resumed, whether the security is an IPO, whether the security was subject to a stock-split, reorganization, or other corporate action, overall market conditions, Pre-Market Hours, [and]Post-Market Hours, and Night Session executions, validity of the consolidated tapes and quotes, consideration of primary market indications, and executions inconsistent with the trading pattern in the stock. Each additional factor shall be considered with a view toward maintaining a fair and orderly market and the protection of investors and the public interest.

(3) *Erroneous Trades on the Nasdaq Bond Exchange.* In lieu of subparagraphs (C)(1)- (C)(2) above, when determining whether a trade in non-convertible bonds listed on the Nasdaq Bond Exchange is clearly erroneous, a Nasdaq official may consider any and all relevant factors of an execution on a case by case basis including, but not limited to, the following: (i) execution price; (ii) volume and volatility of a nonconvertible bond; (iii) news released for the issuer or the non-convertible bond and/or the related equity security; (iv) trading halts; (v) corporate actions; (vi) general market conditions; (vii) the rating of the non-convertible bond; (viii) interest and/or coupon rate; (ix) maturity date; (x) yield curves; (xi) prior print, if available within a reasonable time frame; (xii) executions inconsistent with the trading pattern of a non-convertible bond; (xiii) current day's trading high/low; (xiv) recent day's and week's trading high/low; (xv) executions

outside the 52 week high/low; (xvi) effect of a single large order creating several prints at various prices; and (xvii) quotes and executions of other market centers.

(D) Reference Price. The Reference Price referred to in subparagraphs (C)(1) and (C)(2) above will be equal to the consolidated last sale immediately prior to the execution(s) under review except for:

(1) in the case of Multi-Stock Events involving twenty or more securities, as described in subparagraph (C)(2)(ii) above;

(2) in the case of an erroneous Reference Price, as described in subparagraph (C)(1)(iii) above. In the case of (C)(1)(iii)(1), the Exchange would consider a number of factors to determine a new Reference Price that is based on the theoretical value of the security, including but not limited to, the offering price of the new issue, the ratio of the stock split applied to the prior day's closing price, the theoretical price derived from the numerical terms of the corporate action transaction such as the exchange ratio and spin-off terms, and for an OTC up-listing, the price of the security as provided in the prior day's FINRA Trade Dissemination Service final closing report. In the case of (C)(1)(iii)(2), the Reference Price will be the last effective Price Band that was in a limit state before the Trading Pause; or

(3) in other circumstances, such as, for example, relevant news impacting a security or securities, periods of extreme market volatility, sustained illiquidity, or widespread system issues, where use of a different Reference Price is necessary for the maintenance of a fair and orderly market and the protection of investors and the public interest, provided that such circumstances occurred during Pre-Market Hours or Post-Market Hours or Night Session or are eligible for review pursuant to subparagraph (C)(1)(i).

(b) Procedures for Reviewing Transactions on Nasdaq's Own Motion

(i) *Senior Official Acting on Own Motion.* A Senior Official, acting on his or her own motion, may review potentially erroneous transactions occurring during Pre-Market Hours or Post-Market Hours or Night Session or that are eligible for review pursuant to paragraph (a)(2)(C)(1), and declare trades null and void or shall decline to take any action in connection with the completed trade(s). In such events, the Senior Official will rely on the provisions of paragraph (a)(2)(C)(1)-(3) of this Rule. Absent extraordinary circumstances, any such action of the Senior Official shall be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Senior Official must be taken by no later than the start of Regular Market Hours (or the start of the Bond Trading Session, in the case of a potentially erroneous execution on the Nasdaq Bond Exchange) on the trading day following the date of execution(s) under review. When such action is taken independently, each party involved in the transaction shall be notified as soon as practicable by Nasdaq, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (c)(1) below.

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(g) **Transactions Occurring Outside of LULD Plan Price Bands.** If as a result of an Exchange technology or systems issue any transaction occurs outside of the applicable Price Bands disseminated pursuant to the LULD Plan, a Senior Official of the Exchange, acting on his or her own motion or at the request of a third party, shall review and declare any such trades null and void. Absent extraordinary circumstances, any such action of the Senior Official of the Exchange shall be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Senior Official of the Exchange must be taken by no later than the start of Regular Market Hours on the trading day following the date on which the execution(s) under review occurred. Each Member involved in the transaction shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (c) above. In the event that a single plan processor experiences a technology or systems issue that prevents the dissemination of Price Bands, the Exchange will make the determination of whether to nullify transactions based on paragraph (a)(2)(C)(1)(ii) above.

(h) No change.

(i) **Trading Halts.** In the event of any disruption or malfunction in the operation of the electronic communications and trading facilities of the Exchange, another market center or responsible single plan processor in connection with the transmittal or receipt of a regulatory trading halt, suspension or pause, an Officer of the Exchange or senior level employee designee, acting on his or her own motion, shall nullify any transaction in a security that occurs after the primary listing market for such security declares a regulatory trading halt, suspension or pause with respect to such security and before such regulatory trading halt, suspension or pause with respect to such security has officially ended according to the primary listing market. In addition, in the event a regulatory trading halt, suspension or pause is declared, then prematurely lifted in error and is then re-instituted, an Officer of the Exchange or senior level employee designee shall nullify transactions that occur before the official, final end of the halt, suspension or pause according to the primary listing market. Any action taken in connection with this paragraph shall be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction and in no circumstances later than the start of Regular Market Hours (or the Bond Trading Session, as applicable) on the trading day following the date of execution(s) under review. Any action taken in connection with this paragraph will be taken without regard to the Percentage Parameters or Numerical Guidelines set forth in this Rule. Each Member involved in a transaction subject to this paragraph shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (c) above.

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