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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-66905; File No. SR-NASDAQ-2012-056)

May 2, 2012

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Rules 7001 and 7018(h)

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 April 30, 2012, The NASDAQ Stock Market LLC (“NASDAQ” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a proposed rule change as described in Items I and II 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

NASDAQ proposes amendments to Rules 7001 and 7018(h). NASDAQ will implement the proposed change on May 1, 2012. The text of the proposed rule change is available at <http://nasdaq.cchwallstreet.com>, at NASDAQ’s principal office, and at the Commission’s Public Reference Room.

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

In its filing with the Commission, the self-regulatory organization 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 those statements may be examined at the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

places specified in Item III [sic] below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

NASDAQ is proposing to eliminate its long-standing trade reporting fee found in Rule 7018(h) and institute an increase in its monthly trading rights fee under Rule 7001. NASDAQ's goal in making this change is to assess a more uniform fee for the post-trade processing that NASDAQ provides to members that trade on the NASDAQ Market Center. Currently, Rule 7018(h) assesses a fee of \$0.029 per side per trade report if a member is party to an average daily volume of trade reports during the month of less than 15,000, but does not assess a fee for higher volumes of trade reports. NASDAQ is proposing instead to increase the monthly trading rights fee from \$500 to \$1,000 for all members.

The fee under Rule 7018(h) was assessed for the provision of post-trade processing by the Automated Confirmation Transaction system ("ACT") and the BRACE systems. ACT and BRACE are NASDAQ's proprietary systems that facilitate post-execution price and volume reporting, reconciliation, and clearing of trades occurring on NASDAQ.³ Specifically, ACT matches and processes trade changes/corrections and sends transactions reports to the securities information processors that disseminate trade information to the public. BRACE sends trade information to National Securities Clearing Corporation ("NSCC") for clearing. The systems also store data for downloading and review by member firms, clearing firms, and by FINRA for regulatory analysis. Data produced through NASDAQ's post-trade processes is stored, at considerable expense, for a period of at least five years. The increase in the trading rights fee is

³ ACT also supports the operation of the FINRA/NASDAQ Trade Reporting Service.

intended to ensure that all members defray a portion of the substantial fixed costs associated with post-trade processing.

2. Statutory Basis

NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,⁴ in general, and with Sections 6(b)(4) and 6(b)(5) of the Act,⁵ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which NASDAQ operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. NASDAQ believes that the fee change is reasonable because it is designed to ensure that all members defray a portion of the substantial fixed costs associated with post-trade processing. Moreover, the size of the increase in the trading rights fee compares favorably with other monthly fees for fixed cost services provided by the Exchange, such as the fees for access services under Rule 7015. NASDAQ also notes that many of the members that have previously paid a fee under Rule 7018(h) will see a reduction in their monthly charges; NASDAQ further believes that it is reasonable for members that have not previously paid a fee for post-trade processing to be assessed a charge that reflects the benefits from these services. The fee change is consistent with an equitable allocation of fees because it will ensure that all members that receive benefits from the post-trade processing provided by NASDAQ pay a fee that contributes to the costs incurred in operating the systems that perform these functions. Finally, the fee change is not unfairly discriminatory because it applies to all members.

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

⁴ 15 U.S.C. 78f.

⁵ 15 U.S.C. 78f(b)(4) and (5).

NASDAQ does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. Because the market for exchange services is extremely competitive, members may readily opt to disfavor NASDAQ if they believe that alternatives offer them better value. For this reason and the reasons discussed in connection with the statutory basis for the proposed rule change, NASDAQ does not believe that the proposed changes will impair the ability of members or competing trading venues to maintain their competitive standing in the financial markets.

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

Written comments were neither solicited nor received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.⁶ At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

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

Electronic comments:

⁶ 15 U.S.C. 78s(b)(3)(A)(ii).

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NASDAQ-2012-056 on the subject line.

Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NASDAQ-2012-056. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the

Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NASDAQ-2012-056 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷

Kevin M. O'Neill
Deputy Secretary

[FR Doc. 2012-11002 Filed 05/07/2012 at 8:45 am; Publication Date: 05/08/2012]

⁷ 17 CFR 200.30-3(a)(12).