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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-72549; File No. SR-NASDAQ-2014-069)

July 7, 2014

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Modify NASDAQ Rule 7018 Fees

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on July 1, 2014, 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, 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 the Substance of the Proposed Rule Change

NASDAQ is proposing to modify NASDAQ Rule 7018 fees assessed for execution and routing securities listed on NASDAQ, the New York Stock Exchange (“NYSE”) and on exchanges other than NASDAQ and NYSE.

The text of the proposed rule change is available at 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, NASDAQ 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 places specified in

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Item IV 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 Statutory Basis for, the Proposed Rule Change

1. Purpose

NASDAQ is proposing to amend NASDAQ Rule 7018 to modify fees assessed for execution and routing securities listed on NASDAQ, NYSE ("Tape A") and on exchanges other than NASDAQ and the NYSE ("Tape B"), as well as to make nonsubstantive changes to NASDAQ Rule 7018(a)(2) and (3) for the purposes of consistency in the manner that these subsections are organized within NASDAQ Rule 7018(a) and for improved clarity.

NASDAQ is also proposing to create a new credit tier of \$0.0025 per share executed for members that provide a daily average of at least 4 million shares of liquidity, which includes greater than 1.5 million shares per day of non-displayed liquidity, excluding midpoint orders. The Exchange believes that it does not need to include midpoint orders as part of this incentive as the Exchange has ample midpoint liquidity available for members to access. The Exchange believes that the proposed new fee tier will also encourage market participant activity and will also support price discovery and liquidity provision.

The Exchange also proposes to make nonsubstantive changes to NASDAQ Rule 7018(a)(2) and (3) for purposes of consistency in the manner in which these subsections are organized and for improved clarity. Specifically, the entry in these subsections for "firms that execute against resting midpoint liquidity" and its corresponding fee of \$0.0027 per share executed, have been moved-up within both NASDAQ Rule 7018(a)(2) and (3) verbatim so that within each subsection it will be properly situated as falling under the headings "Charge to enter

orders that execute in the Nasdaq Market Center” and “Charge to member entering order that executes in the Nasdaq Market Center”, respectively.

2. Statutory Basis

NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,³ in general, and with Sections 6(b)(4) and 6(b)(5) of the Act,⁴ 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. This proposal is reasonable, equitable and not unfairly discriminatory for the reasons noted below.

The Exchange’s proposal for a new credit tier of \$0.0025 per share executed for members that provide a daily average of at least 4 million shares of liquidity, which includes greater than 1.5 million shares per day of non-displayed liquidity, excluding midpoint orders, is consistent with an equitable allocation of fees and is not unfairly discriminatory because it remains consistent with the Exchange’s approach of providing a credit to members that provide shares of liquidity, which benefits all market participants, and is applicable to all such orders and applies uniformly across all markets. Also, the Exchange believes it is reasonable to use pricing incentives, such as a new tier, because this new tier provides additional opportunities for members to increase their participation in the market.

The Exchange also proposes to make nonsubstantive changes to NASDAQ Rule 7018. Specifically, under both NASDAQ Rule 7018(a)(2) and (3) the entry for “firms that execute

³ 15 U.S.C. 78f.

⁴ 15 U.S.C. 78f(b)(4) and (5).

against resting midpoint liquidity” and its corresponding fee of \$0.0027 per share executed, have been moved-up within each of these subsections verbatim so that within each subsection it will be properly situated as falling under the headings “Charge to enter orders that execute in the Nasdaq Market Center” and “Charge to member entering order that executes in the Nasdaq Market Center”, respectively. These changes are intended to reflect greater consistency in the manner in which these subsections are organized within NASDAQ Rule 7018(a) and for improved clarity.

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

NASDAQ does not believe that the proposed rule changes will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.⁵ NASDAQ notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, NASDAQ must continually adjust its fees to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, NASDAQ believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited. In this instance, the establishment of a new fee tier for members that provide a daily average of at least 4 million shares of liquidity, which includes greater than 1.5 million shares per day of non-displayed liquidity, excluding midpoint orders, reflects this.

⁵ 15 U.S.C. 78f(b)(8).

Accordingly, NASDAQ does not believe that the proposed changes will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets.

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

Written comments were neither solicited nor received.

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

The foregoing change has become effective pursuant to Section 19(b)(3)(A) of the Act,⁶ and paragraph (f)⁷ of Rule 19b-4, thereunder. 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.

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 (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NASDAQ-2014-069 on the subject line.

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4(f)

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-2014-069. 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 such filing also will be available for inspection and copying at the principal offices 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-2014-069, 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.⁸

Kevin M. O' Neill
Deputy Secretary

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⁸ 17 CFR 200.30-3(a)(12).