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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-72911; File No. SR-NASDAQ-2014-086)

August 25, 2014

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Offer a Volume Discount for the Bulk Purchase of Aged Reports Within the Category of Historical Research and Administrative Reports under NASDAQ Rule 7022

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 August 22, 2014, 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 the Substance of the Proposed Rule Change

The Exchange proposes to a proposal to [sic] offer a volume discount for the bulk purchase of aged reports within the category of Historical Research and Administrative Reports under NASDAQ Rule 7022.

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7022. Historical Research and Administrative Reports

(a) No Change.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

(b) The charge to be paid by the purchaser of an Historical Research Report regarding a Nasdaq security that wishes to obtain a license to redistribute the information contained in the report to subscribers shall be determined in accordance with the following schedule:

	Number of subscribers				
	1-500	501-999	1,000-4999	5,000-9,999	10,000+
A. Market Summary Statistics					
More often than once a month	\$250	\$350	\$450	\$550	\$750
Once a month, quarter, or year	\$125	\$175	\$225	\$275	\$375
B. Reserved					
C. Nasdaq Issues Summary Statistics					
More often than once a month	\$500	\$600	\$700	\$800	\$1,000
Once a month, quarter, or year	\$250	\$300	\$350	\$400	\$500
<u>Annual set of aged reports previously distributed more often than once a month.</u>	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$3,000</u>
D. Intra-Day Quote and Intra-Day Time and Sales Data					
For a security and/or a	\$200	\$300	\$400	\$500	\$700

market participant for a day

For all market participants for a day or for all securities for a day	\$1,000	\$1,500	\$2,500	\$3,500	\$5,000
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(c) No change.

(d) No change.

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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

NASDAQ proposes to offer a volume discount for the bulk purchase of an existing report within the Nasdaq Issues Summary Statistics category of Historical Research and Administrative Reports under subsection C of NASDAQ Rule 7022(b). The pricing schedule for Nasdaq Issues Summary Statistics reports currently includes only short interest information.³

³ In 2013, NASDAQ moved the Daily List and Fundamental Data formerly covered by this rule into new NASDAQ Rule 7022(d). *See* Exchange Act Release No. 68636 (Jan. 11, 2013). In the future, this category may include other information that properly falls within the category of Nasdaq Issues Summary Statistics.

The fee schedule for NASDAQ Issues Summary Statistics is currently divided into two tiers, one for reports distributed once per month or less, and a second for reports distributed more than once monthly.

NASDAQ is proposing to add a third tier of fees for Nasdaq Issues Summary Statistics reports for the purchase and distribution of a full year of the twice-monthly report of short interest on NASDAQ provided that the individual reports are each aged a full year. NASDAQ has been requested to offer a volume discount for the distribution of short interest reports aged more than one year that Distributors can make available to Subscribers in annual sets of twenty-four reports. The existing reports will be delivered in annual sets via an acceptable medium where each of the individual reports is sent simultaneously.

NASDAQ has determined to assess a fee of \$3,000 for access to the annual sets of aged reports of short interest on NASDAQ. This is less than a Distributor would pay to distribute twenty-four short interest reports that will constitute each annual set of reports because the data in the annual set will be aged at least one year and therefore will be less valuable to investors. In addition, unlike the existing fee tiers, the volume discount will not be indexed to the number of subscribers receiving the annual set of reports; all Distributors will pay the \$3,000 fee regardless of the number of recipients to which they distribute it.

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 Section 6(b)(4) of the Act,⁵ in particular, in that it

⁴ 15 U.S.C. 78f.

⁵ 15 U.S.C. 78f(b)(4).

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. The volume discount is a pricing convention that exists in NASDAQ's current fee schedule and the fee schedules of multiple other exchanges. The volume discount currently exists for transaction fees, market access fees, and market data fees where members and other market participants pay lower unit costs as they purchase increasing amounts of a given product or service. The volume discount is predicated upon the well-accepted principle that the purchase and sale of a product becomes more efficient and less costly per unit as volumes purchased and sold increase.

NASDAQ believes that the proposed fee is also consistent with Section 6(b)(5) of the Act,⁶ in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. The Exchange believes that the proposed volume discount enhances transparency and facilitates transactions through the dissemination of increased volumes of transaction-based data.

Finally, NASDAQ believes that the proposed fee is also consistent with Section 11A(c)(1)(D) of the Act,⁷ in that it provides for a fee that is not unreasonably discriminatory in nature. The proposed volume discount is available equally to all members and other market participants that may seek short interest reports in annual sets. Additionally, while the \$3,000

⁶ 15 U.S.C. 78f(b)(5).

⁷ 15 U.S.C. 78k-1(c)(1) (D).

flat fee is substantially less than a distributor would pay to distribute the twenty-four individual short interest reports, NASDAQ believes that this volume discount is fair and reasonable and not unreasonably discriminatory because the data contained in the annual sets will be aged at least one year and therefore of less value to investors than are current reports. For the same reasons, NASDAQ believes it is fair and equitable and not unreasonably discriminatory that the volume discount will not be indexed to the number of subscribers receiving the aggregated report; all distributors will pay the \$3,000 fee regardless of the number of recipients to which they distribute it.

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

NASDAQ does not believe that the proposed rule change will result in an undue burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. As described above, the volume discount already exists in many forms, and it has not [sic] found to impose any burden on competition. In this case, NASDAQ does not believe the volume discount will impose any burden on competition. With respect to distributors, the proposal would reduce fees for all market participants that purchase and distribute the reports, therefore each participant should be positioned equally with respect to such distribution.

With respect to competitors or NASDAQ, the proposed volume discount does not impose any burden on competition. NASDAQ competitors that distribute similar data are equally-well positioned to offer a volume discount for similar data. To the extent that NASDAQ's proposed volume discount prompts competitors to offer volume discounts, this effect is pro-competitive and beneficial to investors.

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

Written comments were either solicited or 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,⁸ and paragraph (f)⁹ 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-2014-086 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-2014-086. 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

⁸ 15 U.S.C. 78s(b)(3)(A).

⁹ 17 CFR 240.19b-4(f)

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-2014-086, 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.¹⁰

Kevin M. O' Neill
Deputy Secretary

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¹⁰ 17 CFR 200.30-3(a)(12).