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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-74518; File No. SR-NASDAQ-2015-022)

March 17, 2015

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Rule 4751(h)(5) Relating to Market Hours IOC Orders

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 March 6, 2015, 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 simplify processing of Market Hours IOC orders and to make clarifying changes to the rule text of Rule 4751(h)(5).

The text of the proposed rule change is available on the Exchange’s website at <http://nasdaq.cchwallstreet.com>, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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 Exchange is proposing to modify the time that Market Hours IOC (“MIOC”) orders are available for entry into the System.³ MIOC is a Time in Force⁴ characteristic of an order that will cause it (or unexecuted portion thereof) to be canceled if, after entry into the System the order (or unexecuted portion thereof) becomes non-marketable during the Regular Market Session, 9:30 a.m. until 4:00 p.m. Eastern Time.⁵ Pursuant to Rule 4751(h)(5), MIOC Orders are available for entry from 4:00 a.m. until 4:00 p.m. Eastern Time; however, a MIOC order entered between 4:00 a.m. and 9:30 a.m. Eastern Time is held by the System until 9:30 a.m. at which time the System shall determine whether the order is marketable and either execute or be canceled.

³ As defined by Rule 47151(a). All times noted herein are in Eastern Time, unless otherwise noted.

⁴ Time in Force is the period of time that the System will hold an order for potential execution. See Rule 4751(h).

⁵ As defined by Rule 4120(b)(4)(D).

NASDAQ is proposing to simplify the processing of MIOC orders to make it consistent with the meaning of a Time in Force of immediate or cancel⁶ and is adding clarifying rule text concerning when such orders are available for entry and potential execution. Specifically, the Exchange is proposing to only accept MIOC orders after completion of the NASDAQ Opening Cross.⁷ The Opening Cross is NASDAQ's process for matching orders at the launch of the regular trading hours, and is open to all NASDAQ listed securities and NMS securities listed on other national securities exchanges (collectively, "System Securities").⁸ Regular Market Session trading begins in an individual System Security at the completion of its opening cross. As a consequence of the proposed change, NASDAQ will not hold MIOC orders entered from 4:00 a.m. up to the completion of the NASDAQ Opening Cross, but rather will not accept the order for execution and return it to the member firm. NASDAQ is not proposing to change how the MIOC order operates, but only the time during which a MIOC order may be entered.

⁶ An order designated as "immediate or cancel" represents the entering member firm's desire for the order to either execute immediately after the System determines whether the order is marketable or be canceled.

⁷ See Rule 4752. Beginning at 9:30 a.m. Eastern Time, the System will execute crosses in each individual security traded on NASDAQ one by one. The order in which each security is processed is random and differs day by day. Upon completion of an individual security's cross, Regular Market Session trading begins. The Opening Cross process is normally completed in less than one second.

⁸ NASDAQ notes that it initiates an Opening Cross in all System Securities for which there are orders that will execute against contra-side orders at 9:30 a.m., at which time the opening book and the NASDAQ continuous book are brought together to create single NASDAQ opening prices for System Securities. In certain cases, a System Security will not have any contra-side interest for execution in the Opening Cross, or any orders whatsoever, when the Opening Cross process is initiated. When this occurs, NASDAQ executes a "null cross" instead, whereby no securities are matched yet the System receives the necessary precondition to regular hours trading that a "cross" in the security has occurred. After completion of the null cross, regular hours trading begins by integrating Market Hours Orders into the book in time priority and executing in accordance with market hours rules.

NASDAQ is accordingly deleting text from Rule 4751(h) that discusses MIOC order entry beginning at 4:00 a.m. Eastern Time and that NASDAQ will hold MIOC orders entered prior to 9:30 a.m. Eastern Time until 9:30 a.m. NASDAQ is also consolidating existing rule text and adding new text under the rule to make it clear that MIOC orders may be entered and potentially executed beginning after the completion of the NASDAQ Opening Cross.

2. Statutory Basis

The Exchange believes that the proposed rule changes are consistent with Section 6 of the Act,⁹ in general, and further the objectives of Section 6(b)(5) of the Act,¹⁰ in particular, in that they are 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; and are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

Specifically, the proposed changes promote just and equitable principles of trade and perfect the mechanisms of a free and open market and the national market system by simplifying processing of orders that are designated to immediately execute or be canceled during the Regular Market Session. Under the current rule, NASDAQ must hold MIOC orders entered from 4:00 a.m. to 9:30 a.m. Eastern Time, during which member firms may cancel and reenter such orders. By preventing MIOC order entry during this time, NASDAQ is making the processing of orders designated as MIOC consistent with the logic of immediate or cancel functionality, namely to

⁹ 15 U.S.C. 78f.

¹⁰ 15 U.S.C. 78f(b)(5).

execute immediately or be cancelled back in whole or in part. Moreover, NASDAQ is adding language to the rule to make it clear when MIOC orders are available for both entry and potential execution. As discussed above, completion of the NASDAQ Opening Cross in a security marks the beginning of Regular Market Hours trading. Accordingly, the changes proposed herein both simplify the processing of MIOC orders and clarify the rule text, consistent with the objectives of the Act.

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

The Exchange 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. Specifically, the changes are designed to promote consistency in the handling of immediate or cancel-designated orders and to provide clarity on when such orders are available for both entry and potential execution. Such changes do not place a burden on competition between market participants as the changes are applied consistently to all participants. Moreover, the proposed changes do not impose a burden on competition among exchanges as they are done in the interest of providing clarity and consistency in its rules, and are therefore irrelevant to competition.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(ii)

[sic] of the Act¹¹ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹² At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

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-2015-022 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.

¹¹ 15 U.S.C. 78s(b)(3)(a)(ii) [sic].

¹² 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

All submissions should refer to File Number SR-NASDAQ-2015-022. 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-2015-022 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.¹³

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Assistant Secretary

¹³ 17 CFR 200.30-3(a)(12).

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