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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-75601; File No. SR- NASDAQ-2015-087)

August 4, 2015

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Allow Listed Companies to Opt in to Nasdaq's All-Inclusive Annual Listing Fee

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 22, 2015, The NASDAQ Stock Market LLC ("Nasdaq" or "Exchange") filed with the Securities and Exchange Commission ("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

Nasdaq proposes to allow listed companies not currently subject to Nasdaq's all-inclusive annual listing fee to opt in to that fee program for 2016. 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.

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

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 aspects of such statements.

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

1. Purpose

Effective January 1, 2015, Nasdaq adopted an all-inclusive annual listing fee, which simplifies billing and provides transparency and certainty to companies as to the annual cost of listing.³ This new fee structure was designed, primarily, to address customer complaints about the number and in some cases the variable nature of certain of Nasdaq's listing fees. It also provides benefits to Nasdaq, including eliminating the multiple invoices that were sent to a company each year and providing more certainty as to revenue.⁴

While this new fee structure will become operative for all listed companies in 2018, listed companies were allowed to elect to be subject to the all-inclusive annual listing fee effective January 1, 2015, and were provided certain incentives to do so.⁵ Companies have reacted favorably to the new fee program and these incentives.

Nasdaq now proposes to allow currently listed companies that did not previously opt in to the all-inclusive annual fee program to do so effective January 1, 2016. In addition, Nasdaq proposes to offer companies an incentive to opt in, similar to the incentive offered companies that opted in to the all-inclusive annual fee program for 2015. Specifically, from July 22, 2015 until December 31, 2015, Nasdaq will allow companies to opt in to the all-inclusive annual fee program starting in 2016. Any company that does so will not be billed for the listing of

³ Securities Exchange Act Release No. 73647 (November 19, 2014), 79 FR 70232 (November 25, 2014) (SR-NASDAQ-2014-087).

⁴ Id.

⁵ See IM-5910-1(b)(1) and IM-5920-1(b)(1).

additional shares after it submits the opt-in form to Nasdaq, regardless of when the shares were issued.⁶ In addition, the company will be billed for 2016 and 2017 based on the lower of its then-current total shares outstanding or the total shares outstanding reflected in information held by Nasdaq as of December 31, 2015.⁷ As such, the number of shares outstanding reflected in information held by Nasdaq as of December 31, 2015, will be the maximum number of shares used to determine the company's all-inclusive annual listing fee until at least January 1, 2018.⁸ Nasdaq does not believe that these incentives will have any adverse impact on the amount of funds available for its regulatory programs.

The proposed rule change also conforms certain language in IM-5920-1 with the comparable provision of IM-5910-1 and [sic] clarifies that total shares outstanding includes the aggregate number of all securities outstanding for each class of listed equity securities.⁹ In

⁶ In addition to incentivizing companies to elect to switch to the all-inclusive annual fee program, this incentive may also reduce confusion about the switch to the all-inclusive annual fee program for some companies. Because listing of additional shares fees are billed based on a company's public filings, share changes could be billed after the company has opted in and potentially not until 2016, when the company believes it should not receive any further listing of additional shares fee bills. While some of these issuances would also be billed in 2015, Nasdaq believes that the simplicity of ending billing of listing of additional shares fees on the date the company opts-in offsets any potential revenue lost from such bills. Share issuances already billed at the time the company submits the opt-in form will not be forgiven.

⁷ Under the ordinary operation of the existing rules, companies are billed for 2016 based on the total shares outstanding as of December 31, 2015. The incentive described will extend the use of that number of total shares outstanding for purposes of determining the company's 2017 bill. The number of shares outstanding used to calculate annual fees for 2016 and 2017 may include shares issued after the company has opted in to the all-inclusive annual listing fee, if such shares are reflected in a public filing or other information held by Nasdaq as of December 31, 2015.

⁸ A company that opted in during 2014 is billed until December 31, 2017, based on the lower of its total shares outstanding at the time of billing or the total shares outstanding reflected in information held by Nasdaq as of December 31, 2014.

⁹ This is the same definition of total shares outstanding used for the standard annual fee in Rule 5910(c)(4) and 5920(c)(6).

addition, the proposed rule change modifies the fee schedule for ADRs and the description of how fees are assessed on a foreign private issuer to clarify that the all-inclusive annual fee is based not just on “shares” but, like a domestic company, is based on the total of all of the foreign private issuer’s listed equity securities, including, for example, ADRs and warrants, and such companies are not charged separately for each individual equity security listed. Nasdaq also proposes to make changes to the rule text to reflect that the all-inclusive fee program has already become effective.

2. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,¹⁰ in general, and with Sections 6(b)(4) and (5) of the Act,¹¹ in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities, and does not unfairly discriminate between customers, issuers, brokers or dealers.

Nasdaq believes that the proposed incentives offered to companies that elect the all-inclusive annual listing fee starting in 2016 are reasonable, equitable and not unfairly discriminatory. These incentives are available equally to all companies and would provide the same benefit to all companies that make the election. Moreover, no company is required to opt in to the all-inclusive annual fee program under this change. In addition, as noted above, Nasdaq will accrue benefits from companies electing the all-inclusive annual listing fee structure, including by eliminating the multiple invoices that are sent to a company each year and providing more certainty as to revenue, and the incentives are designed to help Nasdaq capture these benefits sooner, which is a reasonable and non-discriminatory reason to provide the

¹⁰ 15 U.S.C. 78f.

¹¹ 15 U.S.C. 78f(b)(4) and (5).

incentives to companies. Companies that elected to be subject to the all-inclusive fee during the initial opt-in period, effective for 2015, would not be disadvantaged in that they receive the benefit of having their fees calculated based on the maximum total shares outstanding as of the earlier December 31, 2014, date applicable to companies that opted in during 2014, and they received the benefits of the all-inclusive annual fee program for 2015.

The proposed changes to conform certain language in IM-5920-1 with the comparable provision of IM-5910-1, clarify that for both domestic and foreign issuers, total shares outstanding includes the aggregate number of all securities outstanding for each class of listed equity securities, and clarify that the fee charged a foreign private issuer is based not just on “shares” but, like a domestic company, is based on the total of all equity securities outstanding, are reasonable, equitable and not unfairly discriminatory in that they clarify Nasdaq’s calculation of fees and conform the treatment for foreign private issuers with that of domestic companies, allowing the aggregation of all equity securities issued by the company.

Finally, Nasdaq believes that the proposed incentives are consistent with the investor protection objectives of Section 6(b)(5) of the Act¹² in that they are designed to promote just and equitable principles of trade, to remove impediments to a free and open market and national market system, and in general to protect investors and the public interest. Specifically, the proposed change will not impact the resources available for Nasdaq’s listing compliance program, which helps to assure that listing standards are properly enforced and investors are protected.

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

¹² 15 U.S.C. 78f(b)(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. The market for listing services is extremely competitive and listed companies may freely choose alternative venues based on the aggregate fees assessed, and the value provided by each listing. This rule proposal does not burden competition with other listing venues, which are similarly free to set their fees, but rather reflects the competition between listing venues and will further enhance such competition. For these reasons, Nasdaq does not believe that the proposed rule change will result in any burden on competition for listings.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act¹³ and paragraph (f) of Rule 19b-4 thereunder.¹⁴

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:

¹³ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁴ 17 CFR 240.19b-4(f).

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-2015-087 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-2015-087. 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-2015-087 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.¹⁵

Robert W. Errett
Deputy Secretary

[FR Doc. 2015-19538 Filed: 8/7/2015 08:45 am; Publication Date: 8/10/2015]

¹⁵ 17 CFR 200.30-3(a)(12).