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August 25, 2017

Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Partial Amendment No. 2 (SR-NASDAQ-2017-055)

Dear Mr. Fields:

The NASDAQ Stock Market LLC filed the above-referenced filing on August, 22 2017.

Sincerely,

/s/

Andrew Madar
Senior Associate General Counsel

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * SECURITIES AND EXCHANGE COMMISSION File No.* SR - - *
 WASHINGTON, D.C. 20549 Form 19b-4 Amendment No. (req. for Amendments *)

Filing by NASDAQ Stock Market
 Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			Rule		
Pilot	Extension of Time Period for Commission Action *	Date Expires *	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) *	Section 806(e)(2) *
<input type="checkbox"/>	<input type="checkbox"/>
	Section 3C(b)(2) *
	<input type="checkbox"/>

Exhibit 2 Sent As Paper Document	Exhibit 3 Sent As Paper Document
<input type="checkbox"/>	<input type="checkbox"/>

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

A proposed rule change to amend the Rule 7000A series.

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Last Name *

Title *

E-mail *

Telephone * Fax

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date

By

(Name *)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information *

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

Partial Amendment No. 2 to SR-NASDAQ-2017-055

On May 26, 2017, The NASDAQ Stock Market LLC (“Nasdaq” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change (“Proposal”) to amend the Rule 7000A series, relating to the Order Audit Trail System (“OATS Rules”); Rule 8211 and Chapter IX, Section 4 relating to Electronic Blue Sheets (“EBS Rules”); Chapter VII, Section 7 relating to account identification; and Chapter V, Section 7, relating to the Consolidated Options Audit Trail System (“COATS Rules”), to reflect changes to these rules once members are effectively reporting to the Consolidated Audit Trail (“CAT”) adopted pursuant to the National Market System Plan Governing the Consolidated Audit Trail (the “CAT NMS Plan” or “Plan”)¹, and the CAT’s accuracy and reliability meets certain standards.

The SEC published the Proposal in the Federal Register for notice and comment on June 5, 2017.² The comment period expired on June 26, 2017.³ The Exchange is now

¹ See Securities Exchange Act Release No. 79318 (Nov. 15, 2016), 81 FR 84696 (Nov. 23, 2016) (“Approval Order”).

² See Securities Exchange Act Release No. 80813 (May 30, 2017), 82 FR 25880 (June 5, 2017) (SR-NASDAQ-2017-055).

³ Id. While no comments specifically identified the Exchange’s proposal, the Exchange notes that Financial Regulatory Industry Authority, Inc., which filed a related proposal, received four comment letters on its proposal. See letters to Robert W. Errett, Deputy Secretary, SEC, from Marc R. Bryant, Senior Vice President and Deputy General Counsel, Fidelity Investments, dated June 22, 2017 (“Fidelity”); William H. Hebert, Managing Director, Financial Information Forum, dated June 22, 2017 (“FIF”); Letters to Brent J. Fields, Secretary, SEC, from Manisha Kimmel, Chief Regulatory Officer, Wealth Management, Thomson Reuters, dated June 22, 2017 (“Thomson Reuters”); Ellen Greene, Managing Director & Theodore R. Lazo, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association, dated June 23, 2017 (“SIFMA”).

submitting Partial Amendment No. 2.⁴ With this Partial Amendment, the Exchange is including Exhibit 4, which reflects changes to the text of the proposed rule change pursuant to this Partial Amendment No. 2, and Exhibit 5, which reflects the changes to the current rule text that are proposed in the Proposal, as amended by this Partial Amendment No. 2.

This Partial Amendment No. 2 makes the following changes to the Proposal: (1) it adds introductory language into Rule 7000A to clarify that, if the SEC approves the proposed rule change, the Rule 7000A Series will be deleted from the Exchange Rules upon announcement by the Exchange that the CAT has achieved a level of accuracy and reliability sufficient to replace OATS; (2) adds similar language to the COATS Rules to clarify that, if the SEC approves the proposed rule change, Chapter V, Section 7 will be amended upon announcement by the Exchange that the Consolidated Audit Trail has achieved a level of accuracy and reliability sufficient to replace the Consolidated Options Audit Trail System; and (3) it amends the Supplementary Material to the EBS Rules and to Chapter VII, Section 7 in the proposed rule change to clarify that the Exchange will not request trade data or information, and members will not be required to provide trade data or information, pursuant to the EBS Rules or Chapter VII, Section 7 for trades reported to the CAT after the Exchange announces that it has determined that the accuracy and reliability of the CAT are sufficient to replace requests pursuant to the EBS Rules or Chapter VII, Section 7.

Introductory Language to the OATS and COATS Rules

⁴ The Exchange notes that it had previously submitted Partial Amendment No. 1 to this filing to update Section 2, “Procedures of the Self-Regulatory Organization,” to reflect that it had obtained the necessary approval from its Board of Directors for this Proposal.

As part of the Proposal, to comply with certain provisions of the CAT NMS Plan,⁵ the Exchange discussed the specific accuracy and reliability standards the CAT must meet for the Exchange to delete the OATS Rules from the Exchange rulebook. The Proposal notes that the OATS Rules will be deleted once (i) the CAT achieves the specific accuracy and reliability standards described in the Proposal and (ii) the Exchange has determined that its usage of the CAT has not revealed material issues that have not been corrected, confirmed that the CAT includes all data necessary to allow the Exchange to continue to meet its surveillance obligations, and confirmed that the Plan Processor is sufficiently meeting all of its obligations under the Plan.

If the Commission approves the proposed rule change, the rule text to delete the OATS Rules will be effective; however, the Exchange will announce the implementation date of the proposed rule change (i.e., the deletion of the OATS Rules) in a Regulatory Notice that will be published once the Exchange concludes the thresholds for accuracy and reliability described in the Proposal have been met and that the CAT Plan Processor is sufficiently meeting all of its obligations. Because the time period for implementation for the deletion of the OATS Rules could be significant, the Exchange is proposing in this Partial Amendment No. 2 to add language into Rule 7000A that would alert members that the SEC has approved a proposed rule change to remove the Rule 7000A Series from the Exchange Rules upon announcement by the Exchange that the CAT has achieved a level of accuracy and reliability sufficient to replace OATS. The rule text would also note that, upon this announcement by the Exchange, members will no longer be required to record and report order information pursuant to the Rule 7000A Series. The Exchange believes

⁵ See CAT NMS Plan, Appendix C, Section C.9.

that adding this language into Rule 7000A series would help to alert members of the status of the OATS Rules and is proposing that this language be added to Rule 7000A upon approval of the Proposal by the SEC.

Similarly, the Exchanges proposes to add similar language to Chapter V, Section 7 to clarify that, if the SEC approves the proposed rule change, Chapter V, Section 7 will be amended upon announcement by the Exchange that the Consolidated Audit Trail has achieved a level of accuracy and reliability sufficient to replace the Consolidated Options Audit Trail System.

Supplementary Material to the EBS Rules and to Chapter VII, Section 7

In addition to deleting the OATS Rules, the Proposal adds new Supplementary Material to the EBS Rules and to Chapter VII, Section 7 to clarify how the Exchange will request data under these rules after members are reporting to the CAT. As noted in the Proposal, the Exchange believes that the CAT must meet certain minimum accuracy and reliability standards before the Exchange could rely on the CAT to replace existing regulatory tools, including EBS. Consequently, the proposed Supplementary Material would be implemented only after the CAT achieves the thresholds set forth in the Proposal. Unlike the OATS Rules, the Exchange's EBS Rules and Chapter VII, Section 7 will not be deleted from the Exchange Rulebook; rather, the Proposal adds Supplementary Material to the EBS Rules and to Chapter VII, Section 7 to accommodate the fact that EBS requests and requests made pursuant to Chapter VII, Section 7 will still be necessary for transactions occurring before reporting to the CAT is sufficiently accurate and reliable and for transactions involving securities that are not reportable to the CAT.

In this Partial Amendment No. 2, the Exchange is proposing to revise the Supplementary Material to clarify that the Exchange will not request trade data or information, and members will not be required to provide trade data or information, for trades reported to the CAT after the Exchange announces that it has determined that the accuracy and reliability of the CAT are sufficient to replace requests pursuant to the EBS Rules or pursuant to Chapter VII, Section 7. In the Proposal, the proposed Supplementary Material stated that the Exchange will request trade data or information pursuant to this Rule only if the trade data or information is not available in the CAT because, for example, the transaction(s) in question occurred before the member was reporting information to the CAT or involved securities that are not reportable to the CAT. The Exchange is proposing changes to this language to make clear that, after the CAT achieves the accuracy and reliability standards set forth in the Proposal, the Exchange will only use CAT to obtain trading information and will make requests under the EBS Rules or under Chapter VII, Section 7 only for transactions that occurred before the CAT achieved sufficient levels of accuracy and reliability or transactions that involve securities that are not reportable to the CAT (e.g., fixed income securities, OTC options).

EXHIBIT 4

Exhibit 4 shows the changes proposed in this Partial Amendment No. 2, with the proposed changes in the original filing shown as if adopted. Proposed additions in this Partial Amendment No. 2 appear underlined; proposed deletions appear in brackets.

NASDAQ Stock Market Rules

* * * * *

7000A. Order Audit Trail Series

The SEC has approved a proposed rule change to remove the Rule 7000A Series from the Exchange Rules upon announcement by the Exchange that the Consolidated Audit Trail has achieved a level of accuracy and reliability sufficient to replace the Order Audit Trail System. Upon this announcement by the Exchange, members will no longer be required to record and report order information pursuant to the Rule 7000A Series.

* * * * *

8211. Automated Submission of Trading Data

(a) A member shall submit the trade data specified below in automated format as may be prescribed by the Nasdaq Regulation, including FINRA staff, from time to time. This information shall be supplied with respect to any transaction or transactions that are the subject of a request for information made by Nasdaq Regulation, including FINRA staff.

(b) If the transaction was a proprietary transaction effected or caused to be effected by the member for any account in which such member, or person associated with a member, is directly or indirectly interested, such member shall submit or cause to be submitted the following information:

(1) Clearing house number, or alpha symbol as used by the member submitting the data;

(2) Clearing house number(s), or alpha symbol(s) as may be used from time to time, of the members(s) on the opposite side of the transaction;

(3) Identifying symbol assigned to the security;

(4) Date transaction was executed;

(5) Number of shares, or quantity of bonds or options contracts for each specific transaction and whether each transaction was a purchase, sale, short sale, or, if an options contract, whether open long or short or close long or short;

(6) Transaction price;

(7) Account number; and

(8) Market center where transaction was executed.

(c) If the transaction was effected or caused to be effected by the member for any customer account, such member shall submit or cause to be submitted the following information:

(1) The data described in subparagraphs (b)(1) through (8) above;

(2) The customer name, address(es), branch office number, registered representative number, whether order was solicited or unsolicited, date account opened, employer name, and the tax identification number(s); and

(3) If the transaction was effected for another member, whether the other member was acting as principal or agent.

(d) In addition to the above trade data, a member shall submit such other information in such automated format as may from time to time be required by Nasdaq Regulation.

(e) Pursuant to the Rule 9600 Series, Nasdaq may exempt a member from the requirement that the data prescribed in paragraphs (b) through (d) above be submitted to Nasdaq Regulation, including FINRA staff, in an automated format for good cause shown.

Supplementary Material

Nasdaq Regulation will not request trade data or information, and members will not be required to provide trade data or information, for trades reported to the CAT after the Exchange announces that it has determined that the accuracy and reliability of the CAT are sufficient to replace requests pursuant to this Rule. [Nasdaq Regulation will request information under this Rule only if the information is not available in the CAT because, for example, the transactions in question occurred before the firm was reporting information to the CAT or involved securities that are not reportable to the CAT.]

* * * * *

Options Rules

* * * * *

Chapter V Regulation of Trading on NOM

* * * * *

Sec. 7 Audit Trail

The SEC has approved a proposed rule change to amend Chapter V, Section 7 upon announcement by the Exchange that the Consolidated Audit Trail has achieved a level of accuracy and reliability sufficient to replace the Consolidated Options Audit Trail System.

(a) *Order Identification.* When entering orders on NOM, each Options Participant shall submit order information in such form as may be prescribed by Nasdaq in order to allow NOM to properly prioritize and match orders and report resulting transactions to the Clearing Corporation.

(b) An Options Participant must ensure that each options order received from a Customer for execution on NOM is recorded and time-stamped immediately. The order record must be time-stamped again on execution and also at the time of any modification or cancellation of the order by the Customer. Order records relating to NOM shall consist of the elements required by Chapter IX, Section 8.

(c) An Options Participant that employs an electronic system for order routing or order management which complies with NOM requirements will be deemed to be complying with the requirements of this Section if the required information is recorded in electronic form rather than in written form.

(d) In addition to any related requirement under applicable securities laws, information recorded pursuant to this Section must be retained by Options Participants for a period of no less than three (3) years after the date of the transaction.

* * * * *

Chapter VII Market Participants

* * * * *

Sec. 7 Securities Accounts and Orders of Market Makers

(a) *Identification of Accounts.* In a manner prescribed by Nasdaq Regulation, each Market Maker shall file with Nasdaq Regulation and keep current a list identifying all accounts for stock, options and related securities trading in which the Market Maker may, directly or indirectly, engage in trading activities or over which it exercises investment discretion. No Market Maker shall engage in stock, options or related securities trading in an account which has not been reported pursuant to this Section.

(b) *Reports of Orders.* Each Market Maker shall, upon request and in the prescribed form, report to Nasdaq Regulation every order entered by the Market Maker for the purchase or sale of (i) a security underlying options traded on NOM, or (ii) a security convertible into or exchangeable for such underlying security, as well as opening and closing positions in all such securities held in each account reported pursuant to paragraph (a) of this Section. The report pertaining to orders must include the terms of each order, identification of the brokerage firms through which the orders were entered, the times of entry or cancellation,

the times report of execution were received and, if all or part of the order was executed, the quantity and execution price.

(c) *Joint Accounts*. No Market Maker shall, directly or indirectly, hold any interest or participate in any joint account for buying or selling any options contract unless each participant in such joint account is an Options Participant and unless such account is reported to, and not disapproved by, Nasdaq Regulation. Such reports in a form prescribed by Nasdaq Regulation shall be filed with Nasdaq Regulation before any transaction is effected on NOM for such joint account. A participant in a joint account must:

- i. Be either a Market Maker or a Clearing Participant that carries the joint account.
- ii. File and keep current a completed application on such form as is prescribed by Nasdaq Regulation.
- iii. Be jointly and severally responsible for assuring that the account complies with all the Rules of the Exchange.
- iv. Not be a Market Maker registered to the same options classes to which the joint account holder is also registered as a Market Maker.

Commentary .01 Reports of accounts and transactions required to be filed with NOM pursuant to this Rule relate only to accounts in which a Market Maker, as an individual, directly or indirectly controls trading activities or has a direct interest in the profits or losses of such account. Such reports would be required for accounts over which a Market Maker exercises investment discretion as well as a Market Maker's proprietary accounts.

.02 Nasdaq Regulation will not request trade data or information, and members will not be required to provide trade data or information, for trades reported to the CAT after the Exchange announces that it has determined that the accuracy and reliability of the CAT are sufficient to replace requests pursuant to this Rule. [Nasdaq Regulation will request information under this Rule only if the information is not available in the CAT because, for example, the transactions in question occurred before the firm was reporting information to the CAT or involved securities that are not reportable to the CAT.]

* * * * *

Chapter IX Records, Reports and Audits

* * * * *

Sec. 4 Automated Submission of Trade Data

(a) An Options Participant shall submit requested trade data elements, in such automated format as may be prescribed by Nasdaq Regulation from time to time, in regard to a transaction(s) that is the subject of the particular request for information.

(b) If the transaction was a proprietary transaction effected or caused to be effected by the Options Participant for any account in which such Participant, or any person associated with the Options Participant, is directly or indirectly interested, the Participant shall submit or cause to be submitted, any or all of the following information as requested by Nasdaq Regulation:

- i. Clearing house number or alpha symbol as used by the Options Participant submitting the data;
- ii. Clearing house number(s) or alpha symbol(s) as may be used from time to time, of the Options Participant(s) on the opposite side of the transaction;
- iii. Identifying symbol assigned to the security and where applicable for the options month and series symbols;
- iv. Date transaction was executed;
- v. Number of option contracts for each specific transaction and whether each transaction was an opening or closing purchase or sale, as well as:
 - 1) the number of shares traded or held by accounts for which options data is submitted;
 - 2) where applicable, the number of shares for each specific transaction and whether each transaction was a purchase, sale or short sale;
- vi. Transaction price;
- vii. Account number; and
- viii. Market center where transaction was executed.

(c) If the transaction was effected or caused to be effected by the Options Participant for any Customer, such Options Participant shall submit or cause to be submitted any or all the following information as requested by Nasdaq Regulation:

- i. Data elements (i) through (viii) of paragraph (b) above;
- ii. If the transaction was effected for a Public Customer, customer name, address(es), branch office number, representative number, whether the order was discretionary, solicited or unsolicited, date the account was opened and employer name and tax identification number(s); and
- iii. If the transaction was effected for a Participant broker-dealer customer, whether the broker-dealer was acting as a principal or agent on the transaction or transactions that are the subject of Nasdaq Regulation's request.

(d) In addition to the above trade data elements, an Options Participant shall submit such other information in such automated format as may be prescribed by Nasdaq Regulation, as may from time to time be required.

(e) Nasdaq Regulation may grant exceptions, in such cases and for such time periods as it deems appropriate, from the requirement that the data elements prescribed in paragraphs (b) and (c) above be submitted to Nasdaq Regulation in an automated format.

Supplementary Material

Nasdaq Regulation will not request trade data or information, and members will not be required to provide trade data or information, for trades reported to the CAT after the Exchange announces that it has determined that the accuracy and reliability of the CAT are sufficient to replace requests pursuant to this Rule. [Nasdaq Regulation will request information under this Rule only if the information is not available in the CAT because, for example, the transactions in question occurred before the firm was reporting information to the CAT or involved securities that are not reportable to the CAT.]

* * * * *

EXHIBIT 5

Deleted text is [bracketed]. New text is underlined.

NASDAQ Stock Market Rules

* * * * *

7000A. Order Audit Trail Series

The SEC has approved a proposed rule change to remove the Rule 7000A Series from the Exchange Rules upon announcement by the Exchange that the Consolidated Audit Trail has achieved a level of accuracy and reliability sufficient to replace the Order Audit Trail System. Upon this announcement by the Exchange, members will no longer be required to record and report order information pursuant to the Rule 7000A Series.

[7400A. Order Audit Trail System]**[7410A Definitions]**

[For purposes of the Rule 7400A Series:

- (a) Terms shall have the same meaning as those defined in the Nasdaq By-Laws and rules, unless otherwise specified.
- (b) "Bunched Order" shall mean two or more orders that are aggregated prior to execution.
- (c) "Customer" shall mean a person other than a broker or dealer.
- (d) "Nasdaq Market Center" shall mean the service provided by Nasdaq that provides for the automated execution and reporting of transactions in Nasdaq securities.
- (e) "Electronic Communication Network" shall mean any electronic system that widely disseminates to third parties orders entered therein by an exchange market maker or over-the counter market maker, and permits such orders to be executed in whole or in part, and as further defined in Rule 600 of SEC Regulation NMS.
- (f) "Electronic Order" shall mean an order captured by a member in an electronic order-routing or execution system.
- (g) "Index Arbitrage Trade" shall have the same meaning as the term "Index Arbitrage" in New York Stock Exchange Rule 7410.
- (h) "Intermarket sweep order" shall have the same meaning as contained in Rule 600 of SEC Regulation NMS.

- (i) "Manual Order" shall mean an order that is captured by a member other than in an electronic order-routing or execution system.
- (j) "NMS stock" shall have the same meaning as contained in Rule 600 of SEC Regulation NMS.
- (k) "Order" shall mean any oral, written, or electronic instruction to effect a transaction in an equity security listed on The Nasdaq Stock Market that is received by a member from another person for handling or execution, or that is originated by a department of a member for execution by the same or another member, other than any such instruction to effect (1) a proprietary transaction originated by a trading desk in the ordinary course of a member's market making activities in a Nasdaq-listed equity security or (2) effect a Bona Fide Hedge Transaction involving a Nasdaq-listed equity security originated by a trading desk in the ordinary course of the member's options market making activities.
- (l) "Order Audit Trail System" shall mean the automated system owned and operated by FINRA that is designed to capture order information in equity securities listed on the Nasdaq Stock Market reported by members for integration with trade and quotation information to provide FINRA with an accurate time sequenced record of orders and transactions.
- (m) "Program Trade" shall have the same meaning as the term "Program Trading" in New York Stock Exchange Rule 7410.
- (n) "Reporting Agent" shall mean a third party that enters into any agreement with a member pursuant to which the Reporting Agent agrees to fulfill such member's obligations under Rule 7450A.
- (o) "Reporting Member" shall mean a member that receives or originates an order and has an obligation to record and report information under Rules 7440A and 7450A.
 - (1) A member shall not be considered a Reporting Member in connection with an order, if the following conditions are met:
 - (A) the member engages in a non-discretionary order routing process, pursuant to which it immediately routes, by electronic or other means, all of its orders to a single receiving Reporting Member;
 - (B) the member does not direct and does not maintain control over subsequent routing or execution by the receiving Reporting Member;
 - (C) the receiving Reporting Member records and reports all information required under Rules 7440A and 7450A with respect to the order; and

(D) the member has a written agreement with the receiving Reporting Member specifying the respective functions and responsibilities of each party to effect full compliance with the requirements of Rules 7440A and 7450A.

(p) "Proprietary Trading Firm" shall mean a Nasdaq member that trades its own capital and that does not have "customers," as that term is defined in Nasdaq Rule 0210(g), and that is not a FINRA member. The funds used by a Proprietary Trading firm must be exclusively firm funds and all trading must be in the firm's accounts. Traders must be owners of, employees of, or contractors to the firm.]

[7420A Applicability]

[(a) Unless otherwise indicated, the requirements of the Rule 7400A Series are in addition to the requirements contained elsewhere in the Nasdaq Rules.

(b) Unless otherwise indicated, the requirements of the Rule 7400A Series shall apply to all Nasdaq Members and to their associated persons.

(c) Unless otherwise indicated, the requirements of the Rule 7400A Series shall apply to all executed or unexecuted orders for equity securities listed on Nasdaq.]

[7430A Synchronization of Member Business Clocks]

[(a) Nasdaq members shall comply with FINRA Rule 7430 as if such Rule were part of Nasdaq's rules.

(b) For purposes of this Rule, references to "the FINRA By-Laws or other FINRA rules" shall be construed as references to "the Nasdaq Rules".]

[7440A Recording of Order Information]

[(a) Nasdaq members and persons associated with a member shall comply with FINRA Rule 7440 as if such Rule were part of Nasdaq's rules. Nasdaq and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of Nasdaq. Therefore, Nasdaq members are complying with Nasdaq Rule 7440A by complying with FINRA Rule 7440 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under Nasdaq Rule 7440A are being performed by FINRA on behalf of Nasdaq.

(b) For purposes of this Rule:

(1) references to Rules 7420 through 7460 shall be construed as references to Nasdaq Rules 7420A through 7460A;

(2) references to Rules 5320, 7440, and 7450 shall be construed as references to Nasdaq Rules 5320A, 7440A, and 7450A, respectively.

(c) Nasdaq members shall assign and enter a unique order identifier, in the form prescribed by Nasdaq, to all orders that are electronically transmitted to the Nasdaq Market Center. An order identifier shall not be required for orders that are manually transmitted.]

[7450A Order Data Transmission Requirements]

[(a) Except as provided in paragraph (b), Nasdaq members and persons associated with a member shall comply with FINRA Rule 7450A as if such Rule were part of Nasdaq's rules. Nasdaq and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of Nasdaq. Therefore, Nasdaq members are complying with Nasdaq Rule 7450A by complying with FINRA Rule 7450 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under Nasdaq Rule 7450A are being performed by FINRA on behalf of Nasdaq.

(b) Proprietary Trading Firms shall be required to comply with FINRA Rule 7450 as if such Rule were part of Nasdaq's rules, only when they receive a request from Nasdaq Regulation to submit order information with respect to specific time periods identified in such request. Nothing in this Rule shall be construed to limit the obligations of Proprietary Trading Firms under any other Rule of the 7400A Series, including but not limited to, Rule 7440A.

(c) For purposes of this Rule, references to Rule 7440 shall be construed as references to Nasdaq Rule 7440A.]

[7460A Violation of Order Audit Trail System Rules]

[Failure of a member or person associated with a member to comply with any of the requirements of Rule 7410A through Rule 7460A may be considered conduct that is inconsistent with high standards of commercial honor and just and equitable principles of trade, in violation of Rule 2110.]

[7470A Exemption to the Order Recording and Data Transmission Requirements]

[(a) Pursuant to the Rule 9600 Series, Nasdaq, for good cause shown after taking into consideration all relevant factors, may exempt subject to specified terms and conditions, a member from the recording and order data transmission requirements of Rules 7440A and 7450A, respectively, for manual orders, if such exemption is consistent with the protection of investors and the public interest, and the member meets the following criteria:

- (1) the member and current control affiliates and associated persons of the member have not been subject within the last five years to any final disciplinary action, and within the last ten years to any disciplinary action involving fraud;
- (2) the member has annual revenues of less than \$2 million;

(3) the member does not conduct any market making activities in Nasdaq Stock Market equity securities:

(4) the member does not execute principal transactions with its customers (with limited exception for principal transactions executed pursuant to error corrections); and

(5) the member does not conduct clearing or carrying activities for other firms.

(b) An exemption provided pursuant to this Rule shall not exceed a period of two years. At or prior to the expiration of a grant of exemptive relief under this Rule, a member meeting the criteria set forth in paragraph (a) above may request, pursuant to the 9600 Series, a subsequent exemption, which will be considered at the time of the request consistent with the protection of investors and the public interest.

(c) This Rule shall be in effect until July 10, 2015.]

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8211. Automated Submission of Trading Data

(a) A member shall submit the trade data specified below in automated format as may be prescribed by the Nasdaq Regulation, including FINRA staff, from time to time. This information shall be supplied with respect to any transaction or transactions that are the subject of a request for information made by Nasdaq Regulation, including FINRA staff.

(b) If the transaction was a proprietary transaction effected or caused to be effected by the member for any account in which such member, or person associated with a member, is directly or indirectly interested, such member shall submit or cause to be submitted the following information:

(1) Clearing house number, or alpha symbol as used by the member submitting the data;

(2) Clearing house number(s), or alpha symbol(s) as may be used from time to time, of the members(s) on the opposite side of the transaction;

(3) Identifying symbol assigned to the security;

(4) Date transaction was executed;

(5) Number of shares, or quantity of bonds or options contracts for each specific transaction and whether each transaction was a purchase, sale, short sale, or, if an options contract, whether open long or short or close long or short;

(6) Transaction price;

(7) Account number; and

(8) Market center where transaction was executed.

(c) If the transaction was effected or caused to be effected by the member for any customer account, such member shall submit or cause to be submitted the following information:

(1) The data described in subparagraphs (b)(1) through (8) above;

(2) The customer name, address(es), branch office number, registered representative number, whether order was solicited or unsolicited, date account opened, employer name, and the tax identification number(s); and

(3) If the transaction was effected for another member, whether the other member was acting as principal or agent.

(d) In addition to the above trade data, a member shall submit such other information in such automated format as may from time to time be required by Nasdaq Regulation.

(e) Pursuant to the Rule 9600 Series, Nasdaq may exempt a member from the requirement that the data prescribed in paragraphs (b) through (d) above be submitted to Nasdaq Regulation, including FINRA staff, in an automated format for good cause shown.

Supplementary Material

Nasdaq Regulation will not request trade data or information, and members will not be required to provide trade data or information, for trades reported to the CAT after the Exchange announces that it has determined that the accuracy and reliability of the CAT are sufficient to replace requests pursuant to this Rule.

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Options Rules

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Chapter V Regulation of Trading on NOM

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Sec. 7 Audit Trail

The SEC has approved a proposed rule change to amend Chapter V, Section 7 upon announcement by the Exchange that the Consolidated Audit Trail has achieved a level of accuracy and reliability sufficient to replace the Consolidated Options Audit Trail System.

(a) *Order Identification.* When entering orders on NOM, each Options Participant shall submit order information in such form as may be prescribed by Nasdaq in order to allow NOM to properly prioritize and match orders and report resulting transactions to the Clearing Corporation.

(b) An Options Participant must ensure that each options order received from a Customer for execution on NOM is recorded and time-stamped immediately. The order record must be time-stamped again on execution and also at the time of any modification or cancellation of the order by the Customer. Order records relating to NOM shall consist of the elements required by Chapter IX, Section 8.[must contain the following information at a minimum:

- i. a unique order identification;
- ii. the underlying security;
- iii. opening/closing designation;
- iv. the identity of the Clearing Participant;
- v. Options Participant identification;
- vi. Participant Capacity;
- vii. identity of the individual/terminal completing the order ticket;
- viii. customer identification;
- ix. account identification;
- x. buy/sell;
- xi. contract volume;
- xii. contract month;
- xiii. exercise price;
- xiv. put/call;
- xv. price or price limit, price range or strategy price;
- xvi. special instructions (e.g ., GTC); and
- xvii. and such other information as may be required by NOM.]

(c) An Options Participant that employs an electronic system for order routing or order management which complies with NOM requirements will be deemed to be complying with the requirements of this Section if the required information is recorded in electronic form rather than in written form.

(d) In addition to any related requirement under applicable securities laws, information recorded pursuant to this Section must be retained by Options Participants for a period of no less than three (3) years after the date of the transaction.

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Chapter VII Market Participants

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Sec. 7 Securities Accounts and Orders of Market Makers

(a) *Identification of Accounts.* In a manner prescribed by Nasdaq Regulation, each Market Maker shall file with Nasdaq Regulation and keep current a list identifying all accounts for stock, options and related securities trading in which the Market Maker may, directly or indirectly, engage in trading activities or over which it exercises investment discretion. No Market Maker shall engage in stock, options or related securities trading in an account which has not been reported pursuant to this Section.

(b) *Reports of Orders.* Each Market Maker shall, upon request and in the prescribed form, report to Nasdaq Regulation every order entered by the Market Maker for the purchase or sale of (i) a security underlying options traded on NOM, or (ii) a security convertible into or exchangeable for such underlying security, as well as opening and closing positions in all such securities held in each account reported pursuant to paragraph (a) of this Section. The report pertaining to orders must include the terms of each order, identification of the brokerage firms through which the orders were entered, the times of entry or cancellation, the times report of execution were received and, if all or part of the order was executed, the quantity and execution price.

(c) *Joint Accounts.* No Market Maker shall, directly or indirectly, hold any interest or participate in any joint account for buying or selling any options contract unless each participant in such joint account is an Options Participant and unless such account is reported to, and not disapproved by, Nasdaq Regulation. Such reports in a form prescribed by Nasdaq Regulation shall be filed with Nasdaq Regulation before any transaction is effected on NOM for such joint account. A participant in a joint account must:

- i. Be either a Market Maker or a Clearing Participant that carries the joint account.
- ii. File and keep current a completed application on such form as is prescribed by Nasdaq Regulation.

iii. Be jointly and severally responsible for assuring that the account complies with all the Rules of the Exchange.

iv. Not be a Market Maker registered to the same options classes to which the joint account holder is also registered as a Market Maker.

Commentary .01 Reports of accounts and transactions required to be filed with NOM pursuant to this Rule relate only to accounts in which a Market Maker, as an individual, directly or indirectly controls trading activities or has a direct interest in the profits or losses of such account. Such reports would be required for accounts over which a Market Maker exercises investment discretion as well as a Market Maker's proprietary accounts.

.02 Nasdaq Regulation will not request trade data or information, and members will not be required to provide trade data or information, for trades reported to the CAT after the Exchange announces that it has determined that the accuracy and reliability of the CAT are sufficient to replace requests pursuant to this Rule.

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Chapter IX Records, Reports and Audits

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Sec. 4 Automated Submission of Trade Data

(a) An Options Participant shall submit requested trade data elements, in such automated format as may be prescribed by Nasdaq Regulation from time to time, in regard to a transaction(s) that is the subject of the particular request for information.

(b) If the transaction was a proprietary transaction effected or caused to be effected by the Options Participant for any account in which such Participant, or any person associated with the Options Participant, is directly or indirectly interested, the Participant shall submit or cause to be submitted, any or all of the following information as requested by Nasdaq Regulation:

i. Clearing house number or alpha symbol as used by the Options Participant submitting the data;

ii. Clearing house number(s) or alpha symbol(s) as may be used from time to time, of the Options Participant(s) on the opposite side of the transaction;

iii. Identifying symbol assigned to the security and where applicable for the options month and series symbols;

iv. Date transaction was executed;

v. Number of option contracts for each specific transaction and whether each transaction was an opening or closing purchase or sale, as well as:

- 1) the number of shares traded or held by accounts for which options data is submitted;
- 2) where applicable, the number of shares for each specific transaction and whether each transaction was a purchase, sale or short sale;

vi. Transaction price;

vii. Account number; and

viii. Market center where transaction was executed.

(c) If the transaction was effected or caused to be effected by the Options Participant for any Customer, such Options Participant shall submit or cause to be submitted any or all the following information as requested by Nasdaq Regulation:

- i. Data elements (i) through (viii) of paragraph (b) above;
- ii. If the transaction was effected for a Public Customer, customer name, address(es), branch office number, representative number, whether the order was discretionary, solicited or unsolicited, date the account was opened and employer name and tax identification number(s); and
- iii. If the transaction was effected for a Participant broker-dealer customer, whether the broker-dealer was acting as a principal or agent on the transaction or transactions that are the subject of Nasdaq Regulation's request.

(d) In addition to the above trade data elements, an Options Participant shall submit such other information in such automated format as may be prescribed by Nasdaq Regulation, as may from time to time be required.

(e) Nasdaq Regulation may grant exceptions, in such cases and for such time periods as it deems appropriate, from the requirement that the data elements prescribed in paragraphs (b) and (c) above be submitted to Nasdaq Regulation in an automated format.

Supplementary Material

Nasdaq Regulation will not request trade data or information, and members will not be required to provide trade data or information, for trades reported to the CAT after the Exchange announces that it has determined that the accuracy and reliability of the CAT are sufficient to replace requests pursuant to this Rule.

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