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September 6, 2019

Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Amendment No. 1 (SR-NASDAQ-2019-064)

Dear Ms. Countryman:

The Nasdaq Stock Market LLC filed the above-referenced filing on September 6, 2019.

Sincerely,

A handwritten signature in blue ink, consisting of a large, stylized 'A' followed by a horizontal line.

Amma Anaman
Assistant General Counsel

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS 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 *

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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 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

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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

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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

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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.

1. Text of the Proposed Rule Change

(a) The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to amend certain cutoff times for on-close orders entered for participation in the Nasdaq Closing Cross and adopt a second reference price for limit-on-close orders. This Amendment No. 1 supersedes the original filing in its entirety.

A notice of the proposed rule change for publication in the Federal Register is attached as Exhibit 1. The text of the proposed rule change is attached as Exhibit 5.

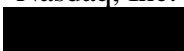
(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Board of Directors of the Exchange on May 8, 2019. No other action is necessary for the filing of the rule change.

Questions and comments on the proposed rule change may be directed to:

Amma Anaman
Assistant General Counsel
Nasdaq, Inc.


¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

a. Purpose

The Nasdaq Closing Cross is a price discovery facility that crosses orders at a single price and establishes the Nasdaq Official Closing Price for a security. The Closing Cross was designed to create a robust close that allows for efficient price discovery through a transparent automated auction process. Nasdaq is proposing to (i) preclude on-close orders from being cancelled or modified after 3:50 p.m. ET except to correct a legitimate error in the order and (ii) permit Limit-on-Close orders entered after 3:55 p.m. ET to be accepted and priced at or between the First or Second Reference Prices (as defined below). Nasdaq believes that the proposed changes will enhance price discovery, stability and transparency in the Closing Cross process.

Nasdaq has proposed related enhancements to the Closing Cross process that will be implemented in conjunction with the proposed changes.³ On February 27, 2019, Nasdaq filed a proposed rule change to establish the Early Order Imbalance Indicator ("EOII") that the Exchange will begin disseminating at 3:50 p.m. or ten minutes prior to an early market close. The EOII will contain a subset of the information comprising the Net Order Imbalance Indicator ("NOII"), which will be disseminated at 3:55 p.m. or five minutes prior to an early market close.

³ See Securities Exchange Act Release No. 34-85292 (Mar. 12, 2019), 84 FR 9848 (Mar. 18, 2019) (SR-NASDAQ-2019-010).

The NOII is a message disseminated by electronic means containing information about market-on-close (“MOC”),⁴ limit-on-close (“LOC”),⁵ imbalance only (“IO”)⁶ orders, and Close Eligible Interest⁷ and the price at which those orders would execute at the time of dissemination.⁸ MOC, LOC and IO orders are on-close order types that are executable only during the Closing Cross.

MOC Orders

Currently, pursuant to Rule 4702(b)(11)(A), MOC orders may be entered, cancelled, and/or modified between 4 a.m. ET and immediately prior to 3:55 p.m. ET. Between 3:55 p.m. ET and immediately prior to 3:58 p.m. ET, a MOC order can be cancelled and/or modified only if the participant requests that Nasdaq correct a legitimate error in the order.⁹ MOC orders cannot be cancelled or modified at or after 3:58 p.m. ET for any reason.

⁴ A “Market on Close Order” or “MOC” is an Order Type entered without a price that may be executed only during the Nasdaq Closing Cross. See Rule 4702(b)(11).

⁵ Pursuant to Rule 4702(b)(12), a “Limit on Close Order” or “LOC” is an Order Type entered with a price that may be executed only in the Nasdaq Closing Cross, and only if the price determined by the Nasdaq Closing Cross is equal to or better than the price at which the LOC Order was entered.

⁶ An “Imbalance Only Order” or “IO” is an Order entered with a price that may be executed only in the Nasdaq Closing Cross and only against MOC Orders or LOC Orders. See Rule 4702(b)(13).

⁷ “Close Eligible Interest” means “any quotation or any order that may be entered into the system and designated with a time-in-force of SDAY, SGTC, MDAY, MGTC, SHEX, or GTMC.” See Rule 4754(a)(1).

⁸ See Rule 4754(a)(7).

⁹ “Legitimate error” for a MOC, LOC or IO order includes, for example, an error in the Side, Size, Symbol, or Price, or duplication of an order, as set forth in the applicable rule for each Order Type.

In conjunction with the adoption of EOII, Nasdaq is proposing to revise Rule 4702(b)(11)(A) to prohibit cancellation or modification of MOC orders after 3:50 p.m. ET except to correct a legitimate error in the order. Nasdaq believes that these changes will enhance stability in the Closing Cross process because they will reduce the possibility of large price movements and volatility due to participants cancelling or modifying orders in reaction to the EOII. It will also enhance the price discovery and liquidity of a security by increasing the number of participants in the Nasdaq Closing Cross, which establishes the Nasdaq Official Closing Price for a security, because participants will be precluded from cancelling orders after 3:50 p.m. ET except to correct a legitimate error in the order. Nasdaq also expects participation in the Closing Cross to increase because participants may continue to enter MOC orders until 3:55 p.m. ET, which allows participants to consider information in the EOII in making informed decisions about whether and how to participate in the Closing Cross.

IO Orders

Currently, pursuant to Rule 4702(b)(13)(A), an IO order may be entered between 4:00 a.m. ET and the time of execution of the Nasdaq Closing Cross, but may not be cancelled or modified at or after 3:55 p.m. ET. Between 3:55 p.m. ET and immediately prior to 3:58 p.m. ET, however, an IO order can be cancelled and/or modified if the participant requests that Nasdaq correct a legitimate error in the order. IO orders cannot be cancelled or modified at or after 3:58 p.m. ET for any reason.

In conjunction with the adoption of EOII, Nasdaq is proposing to revise Rule 4702(b)(13)(A) to prohibit cancellation or modification of IO orders after 3:50 p.m. ET except to correct a legitimate error in the order. IO orders provide liquidity and are intended to offset a buy or sell imbalance during the Closing Cross. Nasdaq believes that

this change will enhance stability in the Closing Cross process because it will reduce the possibility of large price movements and volatility due to participants cancelling or modifying an IO position in reaction to the EOII. In addition, participants may continue to enter IO orders until the time of execution of the Nasdaq Closing Cross, which allows participants to consider information in the EOII and NOII in making informed decisions about whether and how to participate in the Closing Cross.

LOC Orders

Currently, pursuant to Rule 4702(b)(12)(A), LOC orders may be entered, cancelled, and/or modified between 4 a.m. ET and immediately prior to 3:55 p.m. ET. Between 3:55 p.m. ET and immediately prior to 3:58 p.m. ET, LOC orders may be entered provided that there is a First Reference Price¹⁰ and may be cancelled, but not modified, only if the participant requests that Nasdaq correct a legitimate error in the order. A LOC order entered between 3:55 p.m. ET and immediately prior to 3:58 p.m. ET is accepted at its limit price, unless its limit price is higher (lower) than the First Reference Price for an LOC order to buy (sell), in which case the LOC order is handled consistent with the Participant's instruction that the LOC order is to be: (1) rejected; or

¹⁰ "First Reference Price" is presently defined as "the Current Reference Price in the first Order Imbalance Indicator disseminated at or after 3:55 p.m. ET." See Rule 4754(a)(9). "Current Reference Price" means the following: (i) the single price that is at or within the current Nasdaq Market Center best bid and offer at which the maximum number of shares of MOC, LOC, and IO orders can be paired; (ii) if more than one price exists under subparagraph (i), the Current Reference Price shall mean the price that minimizes any Imbalance; (iii) if more than one price exists under subparagraph (ii), the Current Reference Price shall mean the entered price at which shares will remain unexecuted in the cross; or (iv) if more than one price exists under subparagraph (iii), the Current Reference Price shall mean the price that minimizes the distance from the bid-ask midpoint of the inside quotation prevailing at the time of the order imbalance indicator dissemination. See Rule 4754(a)(7)(A).

(2) re-priced to the First Reference Price, provided that if the First Reference Price is not at a permissible minimum increment, the First Reference Price will be rounded (i) to the nearest permitted minimum increment (with midpoint prices being rounded up) if there is no imbalance, (ii) up if there is a buy imbalance, or (iii) down if there is a sell imbalance. The default configuration for participants that do not specify otherwise is to have such LOC orders re-priced rather than rejected.

In conjunction with the adoption of EOII, Nasdaq is proposing to revise Rule 4702(b)(12)(A) to expand the order entry of a LOC order submitted after 3:55 p.m. ET (“Late LOC”) to be accepted and priced at either the First Reference Price or the Second Reference Price. In connection with this change, Nasdaq is proposing to revise the definition of First Reference Price in Rule 4754(a)(9) to refer to the Current Reference Price in the EOII disseminated at 3:50 p.m. ET, or 10 minutes prior to the early closing time on a day when Nasdaq closes early. Nasdaq is also proposing to add a new definition of Second Reference Price in Rule 4754(a)(11) to refer to the Current Reference Price in the NOII disseminated at 3:55 p.m. ET, or five minutes prior to the early closing time on a day when Nasdaq closes early.

Under the proposed rule change, a LOC order may be entered, cancelled and/or modified between 4 a.m. ET and immediately prior to 3:50 p.m. ET. Between 3:50 p.m. ET and 3:55 p.m. ET, a LOC order may be entered but can only be cancelled and/or modified if the participant requests that Nasdaq correct a legitimate error in the order. Between 3:55 p.m. ET and immediately prior to 3:58 p.m. ET, a Late LOC order may be entered, provided that there is a First Reference Price or a Second Reference Price. LOC orders can also only be cancelled and/or modified between 3:55 p.m. ET and

immediately prior to 3:58 p.m. ET if the participant requests that Nasdaq correct a legitimate error in the order. LOC orders cannot be cancelled or modified at or after 3:58 p.m.

A Late LOC order to buy will be accepted at its limit price, unless its limit price is higher than the higher of the First Reference Price and the Second Reference Price, in which case the Late LOC order will be handled consistent with the participant's instruction that the Late LOC order is to be: (1) rejected; or (2) re-priced to the higher of the First Reference Price and the Second Reference Price. Similarly, a Late LOC order to sell will be accepted at its limit price, unless its limit price is lower than the lower of the First Reference Price and the Second Reference Price, in which case the Late LOC order will be handled consistent with the participant's instruction that the LOC order is to be: (1) rejected; or (2) re-priced to the lower of the First Reference Price and the Second Reference Price.¹¹ For example, if the First Reference Price for a security is \$10 and the Second Reference Price is \$10.25, and a participant submits a Late LOC order to buy the security with a limit of \$11, the order would either be rejected or repriced to \$10.25 in accordance with the participant's instructions. If a participant submits a Late LOC order to buy the same security with a limit of \$10.15, the order would be accepted at \$10.15.

If the First Reference Price for a security is zero, Late LOC orders to buy (sell) will be repriced to the lower (higher) of the Second Reference Price and the order's limit

¹¹ In each case, if either the First Reference Price or the Second Reference Price is not at a permissible minimum increment, the First Reference Price or the Second Reference Price, as applicable, will be rounded (i) to the nearest permitted minimum increment (with midpoint prices being rounded up) if there is no imbalance, (ii) up if there is a buy imbalance, or (iii) down if there is a sell imbalance. The default configuration for participants that do not specify otherwise will be to have Late LOC orders re-priced rather than rejected.

price. For example, if the First Reference Price is zero and the Second Reference Price is \$10.25, a Late LOC order to buy with a limit of \$10.30 would be repriced to \$10.25 and a Late LOC order to sell with a limit of \$10.30 would be accepted at \$10.30. If the Second Reference Price for a security is zero, Late LOC orders to buy (sell) will be repriced to the lower (higher) of the First Reference Price and the order's limit price. For example, if the First Reference Price is \$10 and the Second Reference Price is zero, a Late LOC order to buy with a limit of \$10.15 will be repriced to \$10 and a Late LOC order to sell at \$9.90 would be repriced to \$10. If both the First Reference Price and Second Reference Price are zero, all Late LOC orders to buy or sell would be rejected.

Nasdaq believes that allowing Late LOC orders to be priced at the more aggressive of the two reference prices will provide flexibility to market participants by allowing participants to consider information in both the EOII and NOII in making informed decisions about whether and how to participate in the Closing Cross. It will also increase participation for a wider variety of liquidity providers who otherwise would have had a Late LOC order rejected or repriced if its limit was outside of the First Reference Price. Nasdaq believes that increased participation may enhance price discovery and stability of the Closing Cross because it will allow more price forming orders to offset imbalances and to participate in the Closing Cross.

Additional Conforming Changes

Nasdaq is also proposing to revise "Eligible Interest" to "Close Eligible Interest" in Rules 4754(a)(7)(E)(ii) to correct an inadvertent error.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹² in general, and furthers the objectives of Section 6(b)(5) of the Act,¹³ in particular, in that it is designed to promote just and equitable principles of trade, 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 because the proposed changes will improve the stability and price discovery process of the Closing Cross. Prohibiting cancellation or modification of MOC, LOC or IO orders after 3:50 p.m. ET will enhance stability in the Closing Cross process because it will reduce the possibility of large price movements due to participants cancelling or modifying orders in reaction to the EOII, while still allowing participants to cancel or modify orders to correct a legitimate error in the order. In addition, permitting Late LOC orders to be repriced at the more aggressive of the First Reference Price or Second Reference Price may enhance price discovery and stability of the Closing Cross because it will allow more price forming orders to offset imbalances and to participate in the Closing Cross.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. Rather, the Exchange believes that the proposed rule changes are designed to render the Nasdaq Closing Cross more transparent and more flexible to participants, which will

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(5).

promote competition between Nasdaq and other national securities exchanges. The proposed changes will affect all participants using MOC, LOC and IO orders equally.

5. 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.

6. Extension of Time Period for Commission Action

The Exchange does not consent to an extension of the time period for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Not applicable.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

1. Notice of Proposed Rule Change for publication in the Federal Register.

4. Amended rule text indicating additions to or deletions from the immediately preceding filing.

5. Text of the proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. _____ ; File No. SR-NASDAQ-2019-064)

September __, 2019

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing of Proposed Rule Change to Amend Certain Cutoff Times for On-Close Orders Entered for Participation in the Nasdaq Closing Cross and Adopt a Second Reference Price for Limit-On-Close 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 September 6, 2019, 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 amend certain cutoff times for on-close orders entered for participation in the Nasdaq Closing Cross and adopt a second reference price for limit-on-close orders. This Amendment No. 1 supersedes the original filing in its entirety.

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 Nasdaq Closing Cross is a price discovery facility that crosses orders at a single price and establishes the Nasdaq Official Closing Price for a security. The Closing Cross was designed to create a robust close that allows for efficient price discovery through a transparent automated auction process. Nasdaq is proposing to (i) preclude on-close orders from being cancelled or modified after 3:50 p.m. ET except to correct a legitimate error in the order and (ii) permit Limit-on-Close orders entered after 3:55 p.m. ET to be accepted and priced at or between the First or Second Reference Prices (as defined below). Nasdaq believes that the proposed changes will enhance price discovery, stability and transparency in the Closing Cross process.

Nasdaq has proposed related enhancements to the Closing Cross process that will be implemented in conjunction with the proposed changes.³ On February 27, 2019, Nasdaq filed a proposed rule change to establish the Early Order Imbalance Indicator ("EOII") that the Exchange will begin disseminating at 3:50 p.m. or ten minutes prior to

³ See Securities Exchange Act Release No. 34-85292 (Mar. 12, 2019), 84 FR 9848 (Mar. 18, 2019) (SR-NASDAQ-2019-010).

an early market close. The EOII will contain a subset of the information comprising the Net Order Imbalance Indicator (“NOII”), which will be disseminated at 3:55 p.m. or five minutes prior to an early market close.

The NOII is a message disseminated by electronic means containing information about market-on-close (“MOC”),⁴ limit-on-close (“LOC”),⁵ imbalance only (“IO”)⁶ orders, and Close Eligible Interest⁷ and the price at which those orders would execute at the time of dissemination.⁸ MOC, LOC and IO orders are on-close order types that are executable only during the Closing Cross.

MOC Orders

Currently, pursuant to Rule 4702(b)(11)(A), MOC orders may be entered, cancelled, and/or modified between 4 a.m. ET and immediately prior to 3:55 p.m. ET. Between 3:55 p.m. ET and immediately prior to 3:58 p.m. ET, a MOC order can be cancelled and/or modified only if the participant requests that Nasdaq correct a legitimate

⁴ A “Market on Close Order” or “MOC” is an Order Type entered without a price that may be executed only during the Nasdaq Closing Cross. See Rule 4702(b)(11).

⁵ Pursuant to Rule 4702(b)(12), a “Limit on Close Order” or “LOC” is an Order Type entered with a price that may be executed only in the Nasdaq Closing Cross, and only if the price determined by the Nasdaq Closing Cross is equal to or better than the price at which the LOC Order was entered.

⁶ An “Imbalance Only Order” or “IO” is an Order entered with a price that may be executed only in the Nasdaq Closing Cross and only against MOC Orders or LOC Orders. See Rule 4702(b)(13).

⁷ “Close Eligible Interest” means “any quotation or any order that may be entered into the system and designated with a time-in-force of SDAY, SGTC, MDAY, MGTC, SHEX, or GTMC.” See Rule 4754(a)(1).

⁸ See Rule 4754(a)(7).

error in the order.⁹ MOC orders cannot be cancelled or modified at or after 3:58 p.m. ET for any reason.

In conjunction with the adoption of EOII, Nasdaq is proposing to revise Rule 4702(b)(11)(A) to prohibit cancellation or modification of MOC orders after 3:50 p.m. ET except to correct a legitimate error in the order. Nasdaq believes that these changes will enhance stability in the Closing Cross process because they will reduce the possibility of large price movements and volatility due to participants cancelling or modifying orders in reaction to the EOII. It will also enhance the price discovery and liquidity of a security by increasing the number of participants in the Nasdaq Closing Cross, which establishes the Nasdaq Official Closing Price for a security, because participants will be precluded from cancelling orders after 3:50 p.m. ET except to correct a legitimate error in the order. Nasdaq also expects participation in the Closing Cross to increase because participants may continue to enter MOC orders until 3:55 p.m. ET, which allows participants to consider information in the EOII in making informed decisions about whether and how to participate in the Closing Cross.

IO Orders

Currently, pursuant to Rule 4702(b)(13)(A), an IO order may be entered between 4:00 a.m. ET and the time of execution of the Nasdaq Closing Cross, but may not be cancelled or modified at or after 3:55 p.m. ET. Between 3:55 p.m. ET and immediately prior to 3:58 p.m. ET, however, an IO order can be cancelled and/or modified if the

⁹ “Legitimate error” for a MOC, LOC or IO order includes, for example, an error in the Side, Size, Symbol, or Price, or duplication of an order, as set forth in the applicable rule for each Order Type.

participant requests that Nasdaq correct a legitimate error in the order. IO orders cannot be cancelled or modified at or after 3:58 p.m. ET for any reason.

In conjunction with the adoption of EOII, Nasdaq is proposing to revise Rule 4702(b)(13)(A) to prohibit cancellation or modification of IO orders after 3:50 p.m. ET except to correct a legitimate error in the order. IO orders provide liquidity and are intended to offset a buy or sell imbalance during the Closing Cross. Nasdaq believes that this change will enhance stability in the Closing Cross process because it will reduce the possibility of large price movements and volatility due to participants cancelling or modifying an IO position in reaction to the EOII. In addition, participants may continue to enter IO orders until the time of execution of the Nasdaq Closing Cross, which allows participants to consider information in the EOII and NOII in making informed decisions about whether and how to participate in the Closing Cross.

LOC Orders

Currently, pursuant to Rule 4702(b)(12)(A), LOC orders may be entered, cancelled, and/or modified between 4 a.m. ET and immediately prior to 3:55 p.m. ET. Between 3:55 p.m. ET and immediately prior to 3:58 p.m. ET, LOC orders may be entered provided that there is a First Reference Price¹⁰ and may be cancelled, but not

¹⁰ “First Reference Price” is presently defined as “the Current Reference Price in the first Order Imbalance Indicator disseminated at or after 3:55 p.m. ET.” See Rule 4754(a)(9). “Current Reference Price” means the following: (i) the single price that is at or within the current Nasdaq Market Center best bid and offer at which the maximum number of shares of MOC, LOC, and IO orders can be paired; (ii) if more than one price exists under subparagraph (i), the Current Reference Price shall mean the price that minimizes any Imbalance; (iii) if more than one price exists under subparagraph (ii), the Current Reference Price shall mean the entered price at which shares will remain unexecuted in the cross; or (iv) if more than one price exists under subparagraph (iii), the Current Reference Price shall mean the price that minimizes the distance from the bid-ask midpoint of the inside

modified, only if the participant requests that Nasdaq correct a legitimate error in the order. A LOC order entered between 3:55 p.m. ET and immediately prior to 3:58 p.m. ET is accepted at its limit price, unless its limit price is higher (lower) than the First Reference Price for an LOC order to buy (sell), in which case the LOC order is handled consistent with the Participant's instruction that the LOC order is to be: (1) rejected; or (2) re-priced to the First Reference Price, provided that if the First Reference Price is not at a permissible minimum increment, the First Reference Price will be rounded (i) to the nearest permitted minimum increment (with midpoint prices being rounded up) if there is no imbalance, (ii) up if there is a buy imbalance, or (iii) down if there is a sell imbalance. The default configuration for participants that do not specify otherwise is to have such LOC orders re-priced rather than rejected.

In conjunction with the adoption of EOII, Nasdaq is proposing to revise Rule 4702(b)(12)(A) to expand the order entry of a LOC order submitted after 3:55 p.m. ET ("Late LOC") to be accepted and priced at either the First Reference Price or the Second Reference Price. In connection with this change, Nasdaq is proposing to revise the definition of First Reference Price in Rule 4754(a)(9) to refer to the Current Reference Price in the EOII disseminated at 3:50 p.m. ET, or 10 minutes prior to the early closing time on a day when Nasdaq closes early. Nasdaq is also proposing to add a new definition of Second Reference Price in Rule 4754(a)(11) to refer to the Current Reference Price in the NOII disseminated at 3:55 p.m. ET, or five minutes prior to the early closing time on a day when Nasdaq closes early.

quotation prevailing at the time of the order imbalance indicator dissemination.
See Rule 4754(a)(7)(A).

Under the proposed rule change, a LOC order may be entered, cancelled and/or modified between 4 a.m. ET and immediately prior to 3:50 p.m. ET. Between 3:50 p.m. ET and 3:55 p.m. ET, a LOC order may be entered but can only be cancelled and/or modified if the participant requests that Nasdaq correct a legitimate error in the order. Between 3:55 p.m. ET and immediately prior to 3:58 p.m. ET, a Late LOC order may be entered, provided that there is a First Reference Price or a Second Reference Price. LOC orders can also only be cancelled and/or modified between 3:55 p.m. ET and immediately prior to 3:58 p.m. ET if the participant requests that Nasdaq correct a legitimate error in the order. LOC orders cannot be cancelled or modified at or after 3:58 p.m.

A Late LOC order to buy will be accepted at its limit price, unless its limit price is higher than the higher of the First Reference Price and the Second Reference Price, in which case the Late LOC order will be handled consistent with the participant's instruction that the Late LOC order is to be: (1) rejected; or (2) re-priced to the higher of the First Reference Price and the Second Reference Price. Similarly, a Late LOC order to sell will be accepted at its limit price, unless its limit price is lower than the lower of the First Reference Price and the Second Reference Price, in which case the Late LOC order will be handled consistent with the participant's instruction that the LOC order is to be: (1) rejected; or (2) re-priced to the lower of the First Reference Price and the Second Reference Price.¹¹ For example, if the First Reference Price for a security is \$10 and the

¹¹ In each case, if either the First Reference Price or the Second Reference Price is not at a permissible minimum increment, the First Reference Price or the Second Reference Price, as applicable, will be rounded (i) to the nearest permitted minimum increment (with midpoint prices being rounded up) if there is no imbalance, (ii) up if there is a buy imbalance, or (iii) down if there is a sell

Second Reference Price is \$10.25, and a participant submits a Late LOC order to buy the security with a limit of \$11, the order would either be rejected or repriced to \$10.25 in accordance with the participant's instructions. If a participant submits a Late LOC order to buy the same security with a limit of \$10.15, the order would be accepted at \$10.15.

If the First Reference Price for a security is zero, Late LOC orders to buy (sell) will be repriced to the lower (higher) of the Second Reference Price and the order's limit price. For example, if the First Reference Price is zero and the Second Reference Price is \$10.25, a Late LOC order to buy with a limit of \$10.30 would be repriced to \$10.25 and a Late LOC order to sell with a limit of \$10.30 would be accepted at \$10.30. If the Second Reference Price for a security is zero, Late LOC orders to buy (sell) will be repriced to the lower (higher) of the First Reference Price and the order's limit price. For example, if the First Reference Price is \$10 and the Second Reference Price is zero, a Late LOC order to buy with a limit of \$10.15 will be repriced to \$10 and a Late LOC order to sell at \$9.90 would be repriced to \$10. If both the First Reference Price and Second Reference Price are zero, all Late LOC orders to buy or sell would be rejected.

Nasdaq believes that allowing Late LOC orders to be priced at the more aggressive of the two reference prices will provide flexibility to market participants by allowing participants to consider information in both the EOII and NOII in making informed decisions about whether and how to participate in the Closing Cross. It will also increase participation for a wider variety of liquidity providers who otherwise would have had a Late LOC order rejected or repriced if its limit was outside of the First Reference Price. Nasdaq believes that increased participation may enhance price discovery and

imbalance. The default configuration for participants that do not specify otherwise will be to have Late LOC orders re-priced rather than rejected.

stability of the Closing Cross because it will allow more price forming orders to offset imbalances and to participate in the Closing Cross.

Additional Conforming Changes

Nasdaq is also proposing to revise “Eligible Interest” to “Close Eligible Interest” in Rules 4754(a)(7)(E)(ii) to correct an inadvertent error.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹² in general, and furthers the objectives of Section 6(b)(5) of the Act,¹³ in particular, in that it is designed to promote just and equitable principles of trade, 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 because the proposed changes will improve the stability and price discovery process of the Closing Cross. Prohibiting cancellation or modification of MOC, LOC or IO orders after 3:50 p.m. ET will enhance stability in the Closing Cross process because it will reduce the possibility of large price movements due to participants cancelling or modifying orders in reaction to the EOII, while still allowing participants to cancel or modify orders to correct a legitimate error in the order. In addition, permitting Late LOC orders to be repriced at the more aggressive of the First Reference Price or Second Reference Price may enhance price discovery and stability of the Closing Cross because it will allow more price forming orders to offset imbalances and to participate in the Closing Cross.

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(5).

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. Rather, the Exchange believes that the proposed rule changes are designed to render the Nasdaq Closing Cross more transparent and more flexible to participants, which will promote competition between Nasdaq and other national securities exchanges. The proposed changes will affect all participants using MOC, LOC and IO orders equally.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) by order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be 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-2019-064 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-2019-064. 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 Web site (<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-2019-064 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.¹⁴

Eduardo A. Aleman
Assistant Secretary

¹⁴ 17 CFR 200.30-3(a)(12).

EXHIBIT 4

Changes to the Proposed Rule Text

Text is marked to show changes to proposed rule language in the original filing. Additions to original filing are double underlined; deletions from original filing are ~~stricken through~~.

The Nasdaq Stock Market Rules

* * * * *

4702. Order Types

(a) No change.

(b) (1)-(10) No change.

(11) (A) A "Market On Close Order" or "MOC Order" is an Order Type entered without a price that may be executed only during the Nasdaq Closing Cross. Subject to the qualifications provided below, MOC Orders may be entered[, cancelled, and/or modified] between 4 a.m. ET and immediately prior to 3:55 p.m. ET. MOC Orders may be cancelled and/or modified between 4 a.m. ET and immediately prior to 3:50 p.m. ET. Between 3:5[5]0 p.m. ET and immediately prior to 3:58 p.m. ET, an MOC Order can ~~only~~ be cancelled and/or modified only if the Participant requests that Nasdaq correct a legitimate error in the Order (e.g., Side, Size, Symbol, or Price, or duplication of an Order). MOC Orders cannot be cancelled or modified at or after 3:58 p.m. ET for any reason. An MOC Order shall execute only at the price determined by the Nasdaq Closing Cross.

(B) The following Order Attributes may be assigned to a Market On Close Order:

- Price. An MOC Order is entered without a price and shall execute only at the price determined by the Nasdaq Closing Cross.

- Size.

- Time-in-Force. An MOC Order may execute only in the Nasdaq Closing Cross. However, a Participant may designate the Time-in-Force for an MOC Order either by designating a Time-in-Force of "On Close" or by entering a Time-in-Force of IOC and flagging the Order to participate in the Nasdaq Closing Cross. All MOC Orders entered at or after 3:55 p.m. ET will be rejected. Participation in the Nasdaq Closing Cross is required for this Order Type.

(12) (A) A "Limit On Close Order" or "LOC Order" is an Order Type entered with a price that may be executed only in the Nasdaq Closing Cross, and only if the price determined by the Nasdaq Closing Cross is equal to or better than the price at which the

LOC Order was entered. Subject to the qualifications provided below, LOC Orders may be entered, cancelled, and/or modified between 4 a.m. ET and immediately prior to 3:5[5]0 p.m. ET. Between 3:50 p.m. ET and immediately prior to 3:55 p.m. ET, LOC Orders may be entered but can only be cancelled and/or modified if the Participant requests that Nasdaq correct a legitimate error in the Order (e.g., Side, Size, Symbol, or Price, or duplication of an Order). Between 3:55 p.m. ET and immediately prior to 3:58 p.m. ET, an LOC Order may be entered provided that there is a First Reference Price or a Second Reference Price. [During this time period]Between 3:55 p.m. ET and immediately prior to 3:58 p.m. ET, an LOC Order can [also]only be cancelled [but not]and/or modified[, and only] if the Participant requests that Nasdaq correct a legitimate error in the Order (e.g., Side, Size, Symbol, or Price, or duplication of an Order). LOC Orders cannot be cancelled or modified at or after 3:58 p.m.

An LOC Order entered between 3:55 p.m. ET and immediately prior to 3:58 p.m. ET will be accepted at its limit price, unless its limit price is higher (lower) than the higher (lower) of the First Reference Price and the Second Reference Price for an LOC Order to buy (sell), in which case the LOC Order will be handled consistent with the Participant's instruction that the LOC Order is to be: (1) rejected; or (2) re-priced to the higher (lower) of the First Reference Price and the Second Reference Price, provided that if either the First Reference Price or the Second Reference Price is not at a permissible minimum increment, the First Reference Price or the Second Reference Price, as applicable, will be rounded (i) to the nearest permitted minimum increment (with midpoint prices being rounded up) if there is no imbalance, (ii) up if there is a buy imbalance, or (iii) down if there is a sell imbalance. The default configuration for Participants that do not specify otherwise will be to have such LOC Orders re-priced rather than rejected.

(B) The following Order Attributes may be assigned to a Limit On Close Order:

- Price.
- Size.
- Time-in-Force. In general, an LOC Order may execute only in the Nasdaq Closing Cross. However, a Participant may designate the Time-in-Force for an LOC Order either by designating a Time-in-Force of "On Close," in which case the Order will execute solely in the Nasdaq Closing Cross, or by entering another Order Type and Time-in-Force and flagging the Order to participate in the Nasdaq Closing Cross.

In the latter case, if the Participant designates a Time-in-Force of IOC, the Order will participate solely in the Nasdaq Closing Cross. A Midpoint Peg Post-Only Order, Supplemental Order, or Market Maker Peg Order may not be flagged to solely participate in the Nasdaq Closing Cross.

If the Participant enters a Time-in-Force that continues after the time of the Nasdaq Closing Cross, the Order will participate in the Nasdaq Closing Cross like an LOC Order, while operating thereafter in accordance with its designated Order Type and Order

Attributes (if not executed in full in the Nasdaq Closing Cross). Such an Order may be referred to as a "Closing Cross/Extended Hours Order."

A Post-Only Order, Midpoint Peg Post-Only Order, Supplemental Order, or Market Maker Peg Order may not operate as a Closing Cross/Extend Hours Order. A Closing Cross/Extended Hours Order will be rejected if it has been assigned a Pegging Attribute. A Closing Cross/Extended Hours Order entered through OUCH, FLITE, RASH, or FIX with a Time-in-Force other than IOC after the time of the Nasdaq Closing Cross will be accepted but the Nasdaq Closing Cross flag will be ignored. All other LOC Orders and Closing Cross/Extended Hours Orders entered at or after 3:58 p.m. ET will be rejected.

- Participation in the Nasdaq Closing Cross is required for this Order Type.

(13) (A) An "Imbalance Only Order" or "IO Order" is an Order entered with a price that may be executed only in the Nasdaq Closing Cross and only against MOC Orders or LOC Orders. IO Orders may be entered between 4:00 a.m. ET until the time of execution of the Nasdaq Closing Cross, but may not be cancelled or modified at or after 3:5[5]0 p.m. ET. Between 3:5[5]0 p.m. ET and immediately prior to 3:58 p.m. ET, however, an IO Order can be cancelled and/or modified if the Participant requests that Nasdaq correct a legitimate error in the Order (e.g., Side, Size, Symbol, or Price, or duplication of an Order). IO Orders cannot be cancelled or modified at or after 3:58 p.m. ET for any reason.

If the price of an IO Order to buy (sell) is higher than (lower than) the highest bid (lowest offer) on the Nasdaq Book, the price of the IO Order will be modified repeatedly to equal the highest bid (lowest offer) on the Nasdaq Book; provided, however, that the price of the Order will not be moved beyond its stated limit price. Thus, for example, if an IO Order to buy was entered with a price of \$11 and the current highest bid on the Nasdaq Book was \$10.99, the IO Order would be priced at \$10.99. If the highest bid subsequently became \$10.98, the IO Order would again be repriced. However, if the highest bid moved to \$11.01, the IO Order would not be repriced.

(B) The following Order Attributes may be assigned to an Imbalance Only Order:

- Price.
- Size.
- Time-in-Force. An IO Order may execute only in the Nasdaq Closing Cross. An IO Order entered after the time of the Nasdaq Closing Cross will be rejected.
- Participation in the Nasdaq Closing Cross is required for this Order Type.

* * * * *

4754. Nasdaq Closing Cross

(a) Definitions. For the purposes of this rule the term:

(1) "Close Eligible Interest" shall mean any quotation or any order that may be entered into the system and designated with a time-in-force of SDAY, SGTC, MDAY, MGTC, SHEX, or GTMC.

(2) "Imbalance" shall mean the number of shares of buy or sell MOC or LOC orders that cannot be matched with other MOC or LOC, or IO order shares at a particular price at any given time.

(3) "Imbalance Only Order" or "IO" shall have the meaning provided in Rule 4702.

(4) "Limit On Close Order" or "LOC" shall have the meaning provided in Rule 4702.

(5) "Market on Close Order or MOC" shall have the meaning provided in Rule 4702.

(6) "Nasdaq Closing Cross" shall mean the process for determining the price at which orders shall be executed at the close and for executing those orders.

(7) "Order Imbalance Indicator" shall mean a message disseminated by electronic means containing information about MOC, LOC, IO, and Close Eligible Interest and the price at which those orders would execute at the time of dissemination. The Order Imbalance Indicator shall disseminate the following information:

(A) "Current Reference Price" shall mean:

(i) The single price that is at or within the current Nasdaq Market Center best bid and offer at which the maximum number of shares of MOC, LOC, and IO orders can be paired.

(ii) If more than one price exists under subparagraph (i), the Current Reference Price shall mean the price that minimizes any Imbalance.

(iii) If more than one price exists under subparagraph (ii), the Current Reference Price shall mean the entered price at which shares will remain unexecuted in the cross.

(iv) If more than one price exists under subparagraph (iii), the Current Reference Price shall mean the price that minimizes the distance from the bid-ask midpoint of the inside quotation prevailing at the time of the order imbalance indicator dissemination.

(B) the number of shares represented by MOC, LOC, and IO orders that are paired at the Current Reference Price;

(C) the size of any Imbalance;

(D) the buy/sell direction of any Imbalance; and

(E) indicative prices at which the Nasdaq Closing Cross would occur if the Nasdaq Closing Cross were to occur at that time and the percent by which the indicative prices are outside the then current Nasdaq Market Center best bid or best offer, whichever is closer. The indicative prices shall be:

(i) "Far Clearing Price" which shall mean the price at which the MOC, LOC, and IO orders would execute, and

(ii) "Near Clearing Price" which shall mean the price at which the MOC, LOC, IO, and Close Eligible Interest would execute.

(iii) If marketable buy (sell) shares would remain unexecuted above (below) the Near Clearing Price or Far Clearing Price, Nasdaq shall disseminate an indicator for "market buy" or "market sell".

(8) "Nasdaq Order Imbalance Snapshot" shall mean a message disseminated by electronic means containing a subset of information contained in the Order Imbalance Indicator using a format optimized for newswire services.

(9) "First Reference Price" shall mean the Current Reference Price in the [first]Early Order Imbalance Indicator disseminated at [or after] 3:5[5]0 p.m. ET, or 10 minutes prior to the early closing time on a day when Nasdaq closes early.

(10) "Early Order Imbalance Indicator" shall mean a message disseminated by electronic means containing the same information as the Order Imbalance Indicator, except that it will exclude information about indicative prices, as set forth in subparagraph (a)(7)(E) herein.

(11) "Second Reference Price" shall mean the Current Reference Price in the Order Imbalance Indicator disseminated at 3:55 p.m. ET, or five minutes prior to the early closing time on a day when Nasdaq closes early.

(b) Processing of Nasdaq Closing Cross. The Nasdaq Closing Cross will begin at 4:00:00 p.m. EST, and post-market hours trading will commence when the Nasdaq Closing Cross concludes.

(1) No change.

(A) – (B) No change.

(2) (A) The Nasdaq Closing Cross will occur at the price that maximizes the number of shares of Close Eligible Interest in the Nasdaq Market Center to be executed.

(B) – (E) No change.

(3) No change.

(A) – (E) No change.

(4) No change.

(5) No change.

(A) – (D) No change.

(6) No change.

(A) – (D) No change.

(7) No change.

(A) – (D) No change.

* * * * *

Equity 7 Pricing Schedule

~~Section 118. Nasdaq Market Center Order Execution and Routing~~

~~(a) No change.~~

~~(1) Fees for Execution and Routing of Orders in Nasdaq-Listed Securities~~

~~* * * * *~~

~~member with shares of liquidity provided in the Opening and Closing Crosses, excluding Market-on-Close, Limit-on-Close (other than an Limit-on-Close Order entered between 3:5[0]5 p.m. ET and immediately prior to 3:5[5]8 p.m. ET), Market-on-Open, Limit-on-Open, Good-til-Cancelled, and Immediate-or-Cancel orders, through one or more of its Nasdaq Market Center MPIDs that represent more than 0.01% of Consolidated Volume during the month: \$0.0027 per share executed~~

~~* * * * *~~

~~(2) Fees for Execution and Routing of Securities Listed on NYSE~~

~~* * * * *~~

~~member with shares of liquidity provided in the Opening and Closing Crosses, excluding Market-on-Close, Limit-on-Close (other than~~ \$0.0027 per share executed

~~an Limit on Close Order entered between 3:5[0]5 p.m. ET and immediately prior to 3:5[5]8 p.m. ET), Market on Open, Limit on Open, Good til Cancelled, and Immediate or Cancel orders, through one or more of its Nasdaq Market Center MPIDs that represent more than 0.01% of Consolidated Volume during the month:~~

~~* * * * *~~

~~**(3) Fees for Execution and Routing of Orders in Securities Listed on Exchanges other than Nasdaq and NYSE ("Tape B Securities")**~~

~~* * * * *~~

~~member with shares of liquidity provided in the Opening and Closing Crosses, excluding Market on Close, Limit on Close (other than an Limit on Close Order entered between 3:5[0]5 p.m. ET and immediately prior to 3:5[5]8 p.m. ET), Market on Open, Limit on Open, Good til Cancelled, and Immediate or Cancel orders, through one or more of its Nasdaq Market Center MPIDs that represent more than 0.01% of Consolidated Volume during the month:~~

~~\$0.0027 per share executed~~

~~* * * * *~~

EXHIBIT 5

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

The Nasdaq Stock Market Rules

* * * * *

4702. Order Types

(a) No change.

(b) (1)-(10) No change.

(11) (A) A "Market On Close Order" or "MOC Order" is an Order Type entered without a price that may be executed only during the Nasdaq Closing Cross. Subject to the qualifications provided below, MOC Orders may be entered[, cancelled, and/or modified] between 4 a.m. ET and immediately prior to 3:55 p.m. ET. MOC Orders may be cancelled and/or modified between 4 a.m. ET and immediately prior to 3:50 p.m. ET. Between 3:5[5]0 p.m. ET and immediately prior to 3:58 p.m. ET, an MOC Order can be cancelled and/or modified only if the Participant requests that Nasdaq correct a legitimate error in the Order (e.g., Side, Size, Symbol, or Price, or duplication of an Order). MOC Orders cannot be cancelled or modified at or after 3:58 p.m. ET for any reason. An MOC Order shall execute only at the price determined by the Nasdaq Closing Cross.

(B) The following Order Attributes may be assigned to a Market On Close Order:

- Price. An MOC Order is entered without a price and shall execute only at the price determined by the Nasdaq Closing Cross.
- Size.
- Time-in-Force. An MOC Order may execute only in the Nasdaq Closing Cross. However, a Participant may designate the Time-in-Force for an MOC Order either by designating a Time-in-Force of "On Close" or by entering a Time-in-Force of IOC and flagging the Order to participate in the Nasdaq Closing Cross. All MOC Orders entered at or after 3:55 p.m. ET will be rejected. Participation in the Nasdaq Closing Cross is required for this Order Type.

(12) (A) A "Limit On Close Order" or "LOC Order" is an Order Type entered with a price that may be executed only in the Nasdaq Closing Cross, and only if the price determined by the Nasdaq Closing Cross is equal to or better than the price at which the LOC Order was entered. Subject to the qualifications provided below, LOC Orders may be entered, cancelled, and/or modified between 4 a.m. ET and immediately prior to 3:5[5]0 p.m. ET. Between 3:50 p.m. ET and immediately prior to 3:55 p.m. ET, LOC Orders may be entered but can only be cancelled and/or modified if the Participant requests that Nasdaq correct a legitimate error in the Order (e.g., Side, Size, Symbol, or Price, or duplication of an Order). Between 3:55 p.m. ET and immediately prior to 3:58

p.m. ET, an LOC Order may be entered provided that there is a First Reference Price or a Second Reference Price. [During this time period]Between 3:55 p.m. ET and immediately prior to 3:58 p.m. ET, an LOC Order can [also]only be cancelled [but not]and/or modified[, and only] if the Participant requests that Nasdaq correct a legitimate error in the Order (e.g., Side, Size, Symbol, or Price, or duplication of an Order). LOC Orders cannot be cancelled or modified at or after 3:58 p.m.

An LOC Order entered between 3:55 p.m. ET and immediately prior to 3:58 p.m. ET will be accepted at its limit price, unless its limit price is higher (lower) than the higher (lower) of the First Reference Price and the Second Reference Price for an LOC Order to buy (sell), in which case the LOC Order will be handled consistent with the Participant's instruction that the LOC Order is to be: (1) rejected; or (2) re-priced to the higher (lower) of the First Reference Price and the Second Reference Price, provided that if either the First Reference Price or the Second Reference Price is not at a permissible minimum increment, the First Reference Price or the Second Reference Price, as applicable, will be rounded (i) to the nearest permitted minimum increment (with midpoint prices being rounded up) if there is no imbalance, (ii) up if there is a buy imbalance, or (iii) down if there is a sell imbalance. The default configuration for Participants that do not specify otherwise will be to have such LOC Orders re-priced rather than rejected.

(B) The following Order Attributes may be assigned to a Limit On Close Order:

- Price.
- Size.
- Time-in-Force. In general, an LOC Order may execute only in the Nasdaq Closing Cross. However, a Participant may designate the Time-in-Force for an LOC Order either by designating a Time-in-Force of "On Close," in which case the Order will execute solely in the Nasdaq Closing Cross, or by entering another Order Type and Time-in-Force and flagging the Order to participate in the Nasdaq Closing Cross.

In the latter case, if the Participant designates a Time-in-Force of IOC, the Order will participate solely in the Nasdaq Closing Cross. A Midpoint Peg Post-Only Order, Supplemental Order, or Market Maker Peg Order may not be flagged to solely participate in the Nasdaq Closing Cross.

If the Participant enters a Time-in-Force that continues after the time of the Nasdaq Closing Cross, the Order will participate in the Nasdaq Closing Cross like an LOC Order, while operating thereafter in accordance with its designated Order Type and Order Attributes (if not executed in full in the Nasdaq Closing Cross). Such an Order may be referred to as a "Closing Cross/Extended Hours Order."

A Post-Only Order, Midpoint Peg Post-Only Order, Supplemental Order, or Market Maker Peg Order may not operate as a Closing Cross/Extend Hours Order. A Closing Cross/Extended Hours Order will be rejected if it has been assigned a Pegging Attribute.

A Closing Cross/Extended Hours Order entered through OUCH, FLITE, RASH, or FIX with a Time-in-Force other than IOC after the time of the Nasdaq Closing Cross will be accepted but the Nasdaq Closing Cross flag will be ignored. All other LOC Orders and Closing Cross/Extended Hours Orders entered at or after 3:58 p.m. ET will be rejected.

- Participation in the Nasdaq Closing Cross is required for this Order Type.

(13) (A) An "Imbalance Only Order" or "IO Order" is an Order entered with a price that may be executed only in the Nasdaq Closing Cross and only against MOC Orders or LOC Orders. IO Orders may be entered between 4:00 a.m. ET until the time of execution of the Nasdaq Closing Cross, but may not be cancelled or modified at or after 3:5[5]0 p.m. ET. Between 3:5[5]0 p.m. ET and immediately prior to 3:58 p.m. ET, however, an IO Order can be cancelled and/or modified if the Participant requests that Nasdaq correct a legitimate error in the Order (e.g., Side, Size, Symbol, or Price, or duplication of an Order). IO Orders cannot be cancelled or modified at or after 3:58 p.m. ET for any reason.

If the price of an IO Order to buy (sell) is higher than (lower than) the highest bid (lowest offer) on the Nasdaq Book, the price of the IO Order will be modified repeatedly to equal the highest bid (lowest offer) on the Nasdaq Book; provided, however, that the price of the Order will not be moved beyond its stated limit price. Thus, for example, if an IO Order to buy was entered with a price of \$11 and the current highest bid on the Nasdaq Book was \$10.99, the IO Order would be priced at \$10.99. If the highest bid subsequently became \$10.98, the IO Order would again be repriced. However, if the highest bid moved to \$11.01, the IO Order would not be repriced.

(B) The following Order Attributes may be assigned to an Imbalance Only Order:

- Price.
- Size.
- Time-in-Force. An IO Order may execute only in the Nasdaq Closing Cross. An IO Order entered after the time of the Nasdaq Closing Cross will be rejected.
- Participation in the Nasdaq Closing Cross is required for this Order Type.

* * * * *

4754. Nasdaq Closing Cross

(a) Definitions. For the purposes of this rule the term:

(1) "Close Eligible Interest" shall mean any quotation or any order that may be entered into the system and designated with a time-in-force of SDAY, SGTC, MDAY, MGTC, SHEX, or GTMC.

(2) "Imbalance" shall mean the number of shares of buy or sell MOC or LOC orders that cannot be matched with other MOC or LOC, or IO order shares at a particular price at any given time.

(3) "Imbalance Only Order" or "IO" shall have the meaning provided in Rule 4702.

(4) "Limit On Close Order" or "LOC" shall have the meaning provided in Rule 4702.

(5) "Market on Close Order or MOC" shall have the meaning provided in Rule 4702.

(6) "Nasdaq Closing Cross" shall mean the process for determining the price at which orders shall be executed at the close and for executing those orders.

(7) "Order Imbalance Indicator" shall mean a message disseminated by electronic means containing information about MOC, LOC, IO, and Close Eligible Interest and the price at which those orders would execute at the time of dissemination. The Order Imbalance Indicator shall disseminate the following information:

(A) "Current Reference Price" shall mean:

(i) The single price that is at or within the current Nasdaq Market Center best bid and offer at which the maximum number of shares of MOC, LOC, and IO orders can be paired.

(ii) If more than one price exists under subparagraph (i), the Current Reference Price shall mean the price that minimizes any Imbalance.

(iii) If more than one price exists under subparagraph (ii), the Current Reference Price shall mean the entered price at which shares will remain unexecuted in the cross.

(iv) If more than one price exists under subparagraph (iii), the Current Reference Price shall mean the price that minimizes the distance from the bid-ask midpoint of the inside quotation prevailing at the time of the order imbalance indicator dissemination.

(B) the number of shares represented by MOC, LOC, and IO orders that are paired at the Current Reference Price;

(C) the size of any Imbalance;

(D) the buy/sell direction of any Imbalance; and

(E) indicative prices at which the Nasdaq Closing Cross would occur if the Nasdaq Closing Cross were to occur at that time and the percent by which the indicative prices are outside the then current Nasdaq Market Center best bid or best offer, whichever is closer. The indicative prices shall be:

(i) "Far Clearing Price" which shall mean the price at which the MOC, LOC, and IO orders would execute, and

(ii) "Near Clearing Price" which shall mean the price at which the MOC, LOC, IO, and Close Eligible Interest would execute.

(iii) If marketable buy (sell) shares would remain unexecuted above (below) the Near Clearing Price or Far Clearing Price, Nasdaq shall disseminate an indicator for "market buy" or "market sell".

(8) "Nasdaq Order Imbalance Snapshot" shall mean a message disseminated by electronic means containing a subset of information contained in the Order Imbalance Indicator using a format optimized for newswire services.

(9) "First Reference Price" shall mean the Current Reference Price in the [first] Early Order Imbalance Indicator disseminated at [or after] 3:5[5]0 p.m. ET, or 10 minutes prior to the early closing time on a day when Nasdaq closes early.

(10) "Early Order Imbalance Indicator" shall mean a message disseminated by electronic means containing the same information as the Order Imbalance Indicator, except that it will exclude information about indicative prices, as set forth in subparagraph (a)(7)(E) herein.

(11) "Second Reference Price" shall mean the Current Reference Price in the Order Imbalance Indicator disseminated at 3:55 p.m. ET, or five minutes prior to the early closing time on a day when Nasdaq closes early.

(b) Processing of Nasdaq Closing Cross. The Nasdaq Closing Cross will begin at 4:00:00 p.m. EST, and post-market hours trading will commence when the Nasdaq Closing Cross concludes.

(1) No change.

(A) – (B) No change.

(2) (A) The Nasdaq Closing Cross will occur at the price that maximizes the number of shares of Eligible Interest in the Nasdaq Market Center to be executed.

(B) – (E) No change.

(3) No change.

(A) – (E) No change.

(4) No change.

(5) No change.

(A) – (D) No change.

(6) No change.

(A) – (D) No change.

(7) No change.

(A) – (D) No change.

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