

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-66636; File No. SR-NASDAQ-2012-035)

March 21, 2012

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Assess a Fee for the QView Service

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that, on March 15, 2012, The NASDAQ Stock Market LLC (the “Exchange” or “NASDAQ”) filed with the Securities and Exchange Commission (the “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 assess a fee for the QView service, which provides a subscribing member firm with increased transparency over its trading activity on the Exchange by allowing the member to track its Exchange order flow. The Exchange will implement the proposed fee effective March 15, 2012.

The text of the proposed rule change is below. Proposed new language is underlined; proposed deletions are in brackets.

7058. QView

QView is a web-based tool designed to give a subscribing member the ability to track its order flow on Nasdaq, and create both real-time and historical reports of such order flow. Members may subscribe to QView for a fee of \$600 per month, per member firm[at no cost].

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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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange is proposing to assess a fee of \$600 per month, per member firm for subscription to QView effective March 15, 2012. The Exchange initially adopted QView on December 1, 2011 at no cost to subscribers.³ QView is a web-based, front-end application, which provides a subscribing member firm with increased transparency over its trading activity on the Exchange by allowing the member firm to track its Exchange order flow.⁴ In particular, a QView subscriber is able to track all of its trading activity on the Exchange through detailed

³ Securities Exchange Act Release No. 65851 (November 30, 2011), 76 FR 75924 (December 5, 2011) (SR-NASDAQ-2011-157).

⁴ A subscribing member possessing multiple MPIDs must designate the MPIDs for which it would like to receive QView information. A subscribing member, however, may elect to monitor only the activity occurring through certain ports associated with a subscribed MPID. A member firm seeking to subscribe to QView that accesses the Exchange through a sponsored arrangement with another Exchange member must provide the Exchange with an executed sponsored access data agreement prior to subscribing to QView. The sponsored access data agreement makes clear that the subscribing member firm is permitted to designate the sponsoring firm's MPID for subscription to QView. A copy of this form may be found here:
http://www.nasdaqtrader.com/content/productsservices/trading/QView/QView_SponsoredAccessAgreement.pdf.

order and execution summaries. QView provides a subscribing member with statistics concerning the total number of executions, total volume, dollar value of executions, executions by symbol, add versus remove, buy versus sell, display versus non-display, number of open orders, use of routing strategies and liquidity code designation. QView also provides information concerning how the subscribing member firm ranks in NASDAQ market activity as compared to other NASDAQ participants. The data provided by QView is available to the subscribing member both in real-time and historically. Subscribing member firms are also able to export such data from QView to other systems.

A member firm must subscribe to NASDAQ TradeInfo⁵ to subscribe to QView. QView was developed to work in conjunction with TradeInfo, so that a subscriber to QView is able to seamlessly filter down to the specific order or execution information of the orders and executions provided in the QView dashboard interface. The dashboard also allows a QView subscriber to track its executions and open orders in real-time, as well as view its executions and open orders as an overall summary, with all totals displayed by quantity, share volume, or dollar value. As such, QView provides both an overall summary of a subscribing member firm's activity, as well as detailed order and execution information, thus providing the subscriber a comprehensive tool to track its trading activity.⁶

A member firm that is a subscriber to QView as of March 14, 2012 may cancel its subscription to QView at any time prior to close of business March 30, 2012 and not pay the

⁵ TradeInfo is a web-based tool that, among other things, allows users access to all of the NASDAQ order and execution information for their entire firm for both equities and options through a single interface. TradeInfo is offered complimentary as part of the NASDAQ Workstation or separately for a fee of \$95 per user per month. See Rule 7015(f) (Securities Exchange Act Release No. 55135 (January 19, 2007), 72 FR 3893 (January 26, 2007) (SR-NASDAQ-2006-062)).

⁶ For example, QView will inform a subscribing member of its executions in a particular day and provide a link to the details of those executions, which is provided by TradeInfo.

proposed subscription fee.⁷

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act⁸ in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which the Exchange operates or controls, and it does not unfairly discriminate between customers, issuers, brokers or dealers. The Exchange believes that the proposed fee is equitable and not unfairly discriminatory because member firms that voluntarily elect to subscribe to this service will be charged the same fee. QView provides subscribing member firms with a top down view of their trading activity on the Exchange and the proposed fee is assessed on a per member firm basis. The value of QView to a subscribing member firm is the convenience of aggregating and displaying the firm's data in a single interface regardless of the amount of data (executions, open orders, etc.) or the number of MPIDs that the firm has. In this regard, the Exchange notes that the number of MPIDs that a subscribing member firm possesses is not indicative of quantity and value of the data provided by QView. In many cases, a firm with a single MPID may in fact have more data than a firm with multiple MPIDs. As such, the Exchange believes that it is equitable to assess the fee on a per firm basis, as opposed to a per MPID basis. The Exchange also believes that the proposed fee does not unfairly discriminate because it is available to all member firms on equal terms and there is no differentiation among member firms in regard to the fee assessed to subscribers. In addition, the Exchange believes that it is not unfair discrimination to limit the service to broker-dealers that are members of the Exchange because it

⁷ NASDAQ has provided notice to member firms of the March 30, 2012 cancellation date.

⁸ 15 U.S.C. 78f(b)(4).

provides information solely concerning a subscribing member firm's trading activity on the Exchange.

The Exchange determined that the proposed fee is reasonable based on member firm interest in QView, costs associated with developing and supporting QView, and the value that QView provides to subscribing member firms. The information provided by QView relates to the subscribing member firm's activity on the Exchange and the member firm may access and aggregate this information by other means, including its own internal systems. As such, the Exchange believes that if a member firm determines that the fee is not cost-efficient for its needs, it may decline to subscribe to QView and access such information from other sources. Finally, the maximum fee for a member that elects to subscribe to this service, regardless of the number of MPIDs held by the firm, is \$600 per month. Subscription to QView is per member firm, therefore a firm must subscribe only once to QView to receive the service for as many of its MPIDs as it wishes.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. To the contrary, the proposed rule change is pro-competitive in that it will allow the Exchange to disseminate a new service on a voluntary basis. QView is voluntary on the part of the Exchange which is not required to offer such products and services, and voluntary on the part of prospective users that are not required to use it and may obtain the information from other sources.

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

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.⁹ At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NASDAQ-2012-035 on the subject line.

Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NASDAQ-2012-035. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies

⁹ 15 U.S.C. 78s(b)(3)(A)(ii).

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-2012-035 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁰

Kevin M. O'Neill
Deputy Secretary

¹⁰ 17 CFR 200.30-3(a)(12).