

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-74629; File No. SR-NASDAQ-2015-030)

April 1, 2015

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Modify NASDAQ Rule 7001(c)

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 26, 2015, The NASDAQ Stock Market LLC (“NASDAQ” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a 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 the Substance of the Proposed Rule Change

The Exchange proposes to modify NASDAQ Rule 7001(c) concerning market maker participant identifier³ (“MPID”) fees. The Exchange proposes to implement the proposed rule change on April 1, 2015.

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

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

In its filing with the Commission, NASDAQ included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ When applied to a market maker, sometimes referred to as a “maker participant identifier.”

proposed rule change. The text of those 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 parts of such statements.

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

1. Purpose

NASDAQ is proposing to increase the fee assessed under Rule 7001(c) for MPIDs. MPIDs are special alphabetical identifiers assigned to certain broker-dealers to identify the firms' transaction and quoting activity. NASDAQ administers the assignment of MPIDs, which may be requested by a broker-dealer for use on NASDAQ systems, reporting to the Financial Industry Regulatory Authority ("FINRA"), or a combination of the two. NASDAQ member firms must subscribe to at least one MPID upon gaining NASDAQ membership, but may also request additional MPIDs. Member firms are not assessed a fee for an MPID used exclusively for reporting information to facilities of FINRA, such as the FINRA/NASDAQ Trade Reporting Facility.

In December 2014, NASDAQ modified how the fee under Rule 7001(c) is assessed by reducing the fee, but applying the fee to all MPIDs subscribed.⁴ The rule had previously provided that the first MPID subscribed was available at no cost. In making the change, the Exchange more closely aligned the fee assessed with the benefit provided and the costs incurred in offering an MPID, which includes regulatory oversight associated with each MPID. The Exchange is now proposing to modestly increase the fee assessed for subscription to an MPID from \$500 to \$550 per month.

⁴ See Securities Exchange Act Release No. 73705 (December 1, 2015), 79 FR 72221 (December 5, 2014)(SR-NASDAQ-2014-118).

2. Statutory Basis

NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,⁵ in general, and with Sections 6(b)(4) and 6(b)(5) of the Act,⁶ in particular, 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 NASDAQ operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

NASDAQ believes that the proposed change is reasonable because it has reviewed the impact of the prior change to the fee and is now proposing to modestly increase the fee to ensure that NASDAQ is able to realize a reasonable profit in addition to covering costs. The Exchange believes that it is reasonable to adjust fees from time to time so that it can continue to make a profit on the products and services it offers. Ensuring that its products and services provide the Exchange with a profit allows it continue to offer and enhance such products and services, such as MPIDs. Moreover, the Exchange notes that its membership fees will continue to remain substantially lower than the analogous fees assessed by the New York Stock Exchange for membership.⁷ The Exchange believes that the proposed change is both an equitable allocation

⁵ 15 U.S.C. 78f.

⁶ 15 U.S.C. 78f(b)(4) and (5).

⁷ The Exchange believes that the New York Stock Exchange (“NYSE”) Trading License Fee is analogous to membership fees of NASDAQ as they both provide access to the trading facilities of their respective exchanges. In this regard, NYSE assesses an annual fee of \$50,000 for the first license held by a member organization, and \$15,000 for each additional license. See https://www.nyse.com/publicdocs/nyse/markets/nyse/NYSE_Price_List.pdf. By contrast, NASDAQ would assess the proposed monthly fee of \$550 per MPID (\$6,600 annually), an annual membership fee of \$3,000, and a monthly trading rights fee of \$1,000 (\$12,000 annually). See NASDAQ Rule 7001(a).

and is not designed to permit unfair discrimination between member firms because the fee is applied to all member firms equally based on the number of MPIDs subscribed.

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

NASDAQ does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.⁸ NASDAQ does not believe that the proposed rule change places an unnecessary burden on competition because it is a modest fee increase that will allow NASDAQ to realize a reasonable profit in addition to covering costs. As noted above, NASDAQ's membership fees remain substantially lower than the analogous fees of the NYSE, and membership fees are subject to competition from other exchanges. Accordingly, if the changes proposed herein are unattractive to market participants, it is likely that NASDAQ will experience a decline in membership and/or order flow as a result.

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 change has become effective pursuant to Section 19(b)(3)(A) of the Act,⁹ and paragraph (f)¹⁰ of Rule 19b-4, thereunder. 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.

⁸ 15 U.S.C. 78f(b)(8).

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)

IV. Solicitation of Comments

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

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NASDAQ-2015-030 on the subject line.

Paper comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NASDAQ-2015-030. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal offices of the Exchange. All comments received will be posted without change; the

Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NASDAQ-2015-030, 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.¹¹

Brent J. Fields
Secretary

¹¹ 17 CFR 200.30-3(a)(12).