

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

7014. Market Quality Incentive Programs

Investor Support Program

(a) – (c) No change.

Qualified Market Maker (“QMM”) Program

(d) No change.

(e) The following pricing incentives will be provided to a member that is a QMM with respect to a particular MPID (a “QMM MPID”):

(1) NASDAQ will provide [an NBBO Setter Incentive credit] an additional rebate of \$0.0002 per share executed with respect to orders that [qualify for the NBBO Setter Incentive program under] are executed at a price of \$1 or more and (A) displayed a quantity of at least one round lot at the time of execution; (B) either established the NBBO or was the first order posted on Nasdaq that had the same price as an order posted at another trading center with a protected quotation that established the NBBO; (C) were entered through a QMM MPID; and (4) that no additional rebate will be issued with respect to Designated Retail Orders (as defined in Rule 7018). [Rule 7014(g) and that are entered through a QMM MPID.] However, if a QMM also participates in the ISP, NASDAQ will pay the greater of any applicable credit under the ISP or the [NBBO Setter Incentive program] above listed additional rebate, but not [a credit under] both [programs].

(2) – (3) No change.

[NBBO Setter Incentive Program]

(f) Reserved [Subject to the conditions set forth in section (g) of this Rule, Nasdaq shall issue to a member a monthly NBBO Setter Incentive credit, which shall be determined by multiplying \$0.0002 or \$0.0001 by the number of shares of displayed liquidity to which a particular rate applies, as described below. An NBBO Setter Incentive credit issued under this Rule will be in addition to (and will not replace) any other credit or rebate for which a member may qualify; provided, however, that no NBBO Setter Incentive credit will be issued with respect to Designated Retail Orders (as defined in Rule 7018); and provided further, that if a member eligible to receive NBBO Setter Incentive credits also participates in the ISP, NASDAQ will pay the greater of any applicable credit under the ISP or the NBBO Setter Incentive program, but not a credit under both programs.]

(g) Reserved

(1) A member shall be entitled to receive an NBBO Setter Incentive credit at the \$0.0001 rate with respect to all shares of displayed liquidity that are executed at a price of \$1 or more in the Nasdaq Market Center during a given month if posted through an order that:

(A) displayed a quantity of at least one round lot at the time of execution;
and

(B) either established the NBBO or was the first order posted on Nasdaq that had the same price as an order posted at another trading center with a protected quotation that established the NBBO.

(2) A member shall be entitled to receive an NBBO Setter Incentive credit at the \$0.0002 rate with respect to all shares of displayed liquidity that are executed at a price of \$1 or more in the Nasdaq Market Center during a given month if posted through an order that:

(A) displayed a quantity of at least one round lot at the time of execution;
and

(B) either established the NBBO or was the first order posted on Nasdaq that had the same price as an order posted at another trading center with a protected quotation that established the NBBO; provided that the member had a daily average volume of at least 5 million shares of liquidity provided through such orders during the month.

(3) A member shall be entitled to receive an NBBO Setter Incentive credit at the \$0.0002 rate with respect to all shares of displayed liquidity that are executed at a price of \$1 or more in the Nasdaq Market Center during a given month if posted through an order that

(A) displayed a quantity of at least one round lot at the time of execution;

(B) either established the NBBO or was the first order posted on Nasdaq that had the same price as an order posted at another trading center with a protected quotation that established the NBBO; and

(C) was entered through a QMM MPID.]

(h) – (i) No change.

* * * * *

7018. Nasdaq Market Center Order Execution and Routing

(a) – (d) No change.

(e) Opening Cross

(1)

Market-on-Open, Limit-on-Open, Good-till-Cancelled, and Immediate-or-Cancel orders executed in the Nasdaq Opening Cross	\$0.0010 per share executed [for the net number of buy and sell shares up to a maximum of \$15,000 per firm per month]
All other quotes and orders executed in the Nasdaq Opening Cross	\$0.0002 per share executed

(2) Firms that execute orders in the Nasdaq Opening Cross will be subject to fees for such executions up to a monthly maximum of \$20,000.

(f) – (m) No change.

* * * * *