

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-88852; File No. SR-NASDAQ-2020-022)

May 11, 2020

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Certain Internal Cross-References in General 5, Discipline

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 28, 2020, The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II 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 amend certain internal cross-references within General 5, Discipline.

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.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

In 2019, Nasdaq relocated its rules into a new Rulebook shell.³ As a result, several rules referenced within the 8000 and 9000 Series Rules contained in General 5 Discipline have been relocated under a new rule number. At this time, Nasdaq proposes to update certain internal cross-references within General 5, Discipline. Specifically, Nasdaq proposes to update internal cross-references within Rules 8120 (Definitions), 9110 (Application), 9268 (Decision of Hearing Panel or Extended Hearing Panel), 9269 (Default Decisions), 9270 (Settlement Procedure), 9311 (Appeal by Any Party; Cross-Appeal), 9312 (Review Proceeding Initiated By the Nasdaq Review Council), 9351 (Discretionary Review by Nasdaq Board), 9360 (Effectiveness of Sanctions), 9524 (Nasdaq Review Council Consideration), 9552 (Failure to Provide Information or Keep Information Current), 9553 (Failure to Pay Nasdaq Dues, Fees and Other Charges), 9554 (Failure to Comply with an Arbitration Award or Related Settlement or an Order of Restitution or Settlement Providing for Restitution), 9555 (Failure to Meet the Eligibility or Qualification Standards or Prerequisites for Access to Services), 9556 (Failure to Comply with Temporary and Permanent Cease and Desist Orders), 9557 (Procedures for Regulating Activities Under Rules 4110A and 4120A Regarding a Member Experiencing Financial or Operational Difficulties), 9558 (Summary Proceedings for Actions Authorized by Section 6(d)(3) of the Act), 9559 (Hearing Procedures for Expedited Proceedings Under the Rule 9550 Series), and 9810 (Initiation of Proceeding).

³ See Securities Exchange Act Release No. 87778 (December 17, 2019), 84 FR 70590 (December 23, 2019) (SR-NASDAQ-2019-098).

The Exchange proposes to update internal cross-references within these rules as follows:

- Rule 0120 to General 1(b);
- Rule 1160 to General 2, Section 11;
- Rule 2010A to General 9, Section 1(a);
- Rule 2140 to General 9, Section 1(h);
- Rule 2160 to General 2, Section 14;
- Rule 4110A to General 9, Section 40; and
- Rule 4120A to General 9, Section 41.

The Exchange also proposes to replace references to General 5, Section 2 with the Rule 9600 Series within Nasdaq Rules 8211 (Automated Submission of Trading Data), 9120(r) (Definitions) and 9610 (Application). These amendments correct references to General 5, Section 2, which were erroneously made as that reference does not exist in the Rulebook. The Exchange is reverting the text back to the original citations.

The Exchange proposes other minor technical amendments to correct grammar and punctuation. These amendments are non-substantive.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁴ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁵ in particular, in that it is designed to promote just and equitable principles of trade and to protect investors and the public interest by correcting internal cross-references to its current rules, which were relocated. These

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

corrections to update rule references within the Nasdaq Disciplinary Rules will make the rules accurate and reflect the correct cross-referenced rules. These amendments are non-substantive.

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. These corrections to update rule references within the Nasdaq Disciplinary Rules will make the rules accurate and reflect the correct cross-referenced rules. These amendments are non-substantive.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act⁶ and Rule 19b-4(f)(6) thereunder.⁷

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act⁸ normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)⁹

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

⁸ 17 CFR 240.19b-4(f)(6).

⁹ 17 CFR 240.19b-4(f)(6)(iii).

permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the Exchange may immediately update the identified rule references within the Nasdaq disciplinary rules, which the Exchange states will make the rules accurate and reflect the correct cross-referenced rules. For this reason, and to avoid any investor confusion that may result from inaccurate references within Nasdaq's disciplinary rules, the Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Therefore, the Commission hereby waives the operative delay and designates the proposal as operative upon filing.¹⁰

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 change 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:

¹⁰ For purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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-2020-022 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-2020-022. 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 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.

Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to

make available publicly. All submissions should refer to File Number SR-NASDAQ-2020-022 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

J. Matthew DeLesDernier
Assistant Secretary

¹¹ 17 CFR 200.30-3(a)(12).