

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-101906; File No. SR-NASDAQ-2024-080)

December 13, 2024

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Exchange's Transaction Pricing Schedule of Supplemental Credits at Equity 7, Section 118(a)

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 December 2, 2024, The Nasdaq Stock Market LLC ("Nasdaq" or "Exchange") 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 amend the Exchange's schedule of credits, at Equity 7, Section 118(a). Specifically, the Exchange proposes to amend the Supplemental Credit to member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity.

The text of the proposed rule change is available on the Exchange's Website at <https://listingcenter.nasdaq.com/rulebook/nasdaq/rules>, 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 purpose of the proposed rule change is to amend the Exchange's schedule of credits, at Equity 7, Section 118(a). Specifically, the Exchange proposes to amend the Supplemental Credit to member for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity. Currently, members that execute a combined volume of at least 5 million shares average daily volume (ADV) through midpoint orders and M-ELO orders during the month are eligible to receive \$0.00015 credit per share executed. The rule also states that this credit cannot be combined with M-ELO Supplemental Credit A.

The proposed amendment seeks to further clarify that M-ELO Supplemental Credit B cannot be combined with QMM Tier 2 Program \$0.0029 discounted remove fee as defined in Equity 7, Section 114(e). The revised language would state that "\$0.00015 (may not be combined with M-ELO Supplemental Credit A or with the QMM Tier 2 Program \$0.0029 discounted remove fee set forth in Section 114(e)).

This proposed change will apply to Tapes A, B, and C. The Exchange periodically reviews its fee and credit structures to ensure clarity and alignment with its overall pricing

strategy. The purpose of the proposed amendment is to avoid confusion regarding whether members can receive M-ELO Supplemental Credit B and M-ELO Supplemental Credit A or QMM Tier 2 Program \$0.0029 discounted remove fee set forth in Section 114(e). The Exchange has never intended for participants to receive both the M-ELO Supplemental Credit B and either M-ELO Supplemental Credit A or QMM Tier 2 Program \$0.0029 discounted remove fee simultaneously. Instead, members have been required to choose the credit for which they qualify, based on the applicable conditions outlined in the fee schedule.

The proposed rule change does not alter the current operation of the fee program but instead codifies the Exchange's existing interpretation, ensuring clarity and consistency in the application of its rules. This codification is part of the Exchange's commitment to maintaining a transparent and straightforward fee schedule and reducing potential misunderstandings among market participants. Further, the amendment aims to eliminate potential overlap between the M-ELO Supplemental Credit B and the QMM Tier 2 Program \$0.0029 discounted remove fee. With this clarification, the Exchange intends to maintain a fair and balanced credit program. The amendment is also designed to ensure that the Exchange's credit programs remain competitive and equitable while avoiding unnecessary complexity in its application.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,³ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,⁴ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among

³ 15 U.S.C. 78f(b).

⁴ 15 U.S.C. 78f(b)(4) and (5).

members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The proposed amendment furthers these objectives by clarifying the application of the M-ELO Supplemental Credit B. The amendment avoids confusion regarding whether members can receive both the M-ELO Supplemental Credit B and either M-ELO Supplemental Credit A or QMM Tier 2 Program \$0.0029 discounted remove fee set forth in Section 114(e). This clarification ensures that the credit program operates fairly and promotes equitable principles that does not unfairly discriminate against market participants.

Additionally, the Exchange notes that it has not interpreted its fee schedule to permit members to combine the credits mentioned above. This proposed amendment simply codifies this existing interpretation, ensuring that the fee schedule accurately reflects the Exchange's intent. By codifying this interpretation, the Exchange reduces the risk of misinterpretation and provides clear guidance to market participants, supporting just and equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

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

The Exchange believes that the proposed amendment will not impose any burden on competition that's unnecessary or inappropriate in furtherance of the purposes of the Act. The amendment is administrative in nature and does not alter the substantive requirements for earning the M-ELO Supplemental Credit B. As a result, the change ensures consistency and fairness in the application of the Exchange's credit program and does not disadvantage any specific group of market participants.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.⁵

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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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 (<https://www.sec.gov/rules/sro.shtml>);
- or
- Send an email to rule-comments@sec.gov. Please include file number SR-NASDAQ-2024-080 on the subject line.

Paper Comments:

⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

- 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-2024-080. This file number should be included on the subject line if email 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 (<https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright

protection. All submissions should refer to file number SR-NASDAQ-2024-080 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁶

Sherry R. Haywood,

Assistant Secretary.

⁶ 17 CFR 200.30-3(a)(12).