SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106936; File No. SR-NASDAQ-2026-099]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Equity 4 to Allow for Certain Orders Entered Through OUCH and FLITE Protocols to be Automatically Repriced

November 19, 2026.

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 November 13, 2026, The Nasdaq Stock Market LLC ("Nasdaq" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "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 Equity 4 to allow for certain orders entered through the OUCH and FLITE protocols to be automatically repriced. While these amendments are effective upon filing, the Exchange has designated the proposed amendments to be operative during the first half of 2027.

The text of the proposed rule change is available on the Exchange's website at https://listingcenter.nasdaq.com/rulebook/nasdaq/rulefilings, and at the principal office of the Exchange.

---

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 Exchange proposes to amend Equity 4[3] to allow certain orders submitted through the OUCH[4] and FLITE[5] order entry protocols to be automatically repriced by the Exchange, pursuant to participants' instructions. The Exchange proposes to implement this enhanced functionality during the first half of 2027.

Equity 4, Rule 4120 (Limit Up-Limit Down Plan and Trading Halts)

Currently, Rule 4120(b)(1)(C)(ii)(e)(2) states that both displayable and non-displayable incoming limit-priced interest to buy (sell) that is priced above (below) the Upper (Lower) Price Band shall be repriced to the Upper (Lower) Price Band. Rule 4120(b)(1)(C)(ii)(e)(2)(a) states that for limit-priced orders entered via the OUCH or FLITE protocol, which are not assigned a

---

[3] The version of Equity 4 that this filing is modifying is the version that became immediately effective upon filing of SR-NASDAQ-2026-092 on October 22, 2026, and which the Commission noticed on November 3, 2026. The changes made to Equity 4 in that filing will become operative on November 21, 2026, which is 30 days after the October 22, 2026, filing date. See Securities Exchange Act Release No. 106807 (Nov. 3, 2026), 91 FR _____ (Nov. 6, 2026) (Notice of Filing and Immediate Effectiveness of a Proposal to Amend Equity 4 To Remove All References To the CORE FIX Order Entry Protocol) (File No. SR-NASDAQ-2026-092).

[4] OUCH is a proprietary order entry protocol. See Equity 4, Rule 4702(a).

[5] FLITE is a proprietary order entry protocol. See id.

Managed Pegging, Discretionary, or Reserve Order Attribute, the order shall be repriced upon entry only if the Price Bands are such that the price of the limit-priced interest to buy (sell) would be above (below) the upper (lower) Price Band. The Exchange proposes to add a new paragraph (iii) to Rule 4120(b)(1)(C)(ii)(e)(2)(a) specifying that, once an order has had its price adjusted by the Exchange system pursuant to 4120(b)(1)(C)(ii)(e)(2)(a), if the Price Bands move such that the price of the order to buy (sell) would be below (above) the upper (lower) Price Band, the order will continue to be repriced either to its original limit price or to the new price bands, whichever is less aggressive.

Equity 4, Rule 4702(b)(1) (Price to Comply Order Type)

Currently, Rule 4702(b)(1) specifies the behavior of Price to Comply Orders. Rule 4702(b)(1)(B) provides that if a Price to Comply Order entered through OUCH or FLITE, during Market Hours the Price to Comply Order may be adjusted in the following manner after initial entry and posting to the Nasdaq Book:

- If the entered limit price of the Price to Comply Order crossed a Protected Quotation and the NBBO changes so that the Price to Comply Order could be displayed at a price at or closer to its entered limit price without locking or crossing a Protected Quotation, the Price to Comply Order may either remain on the Nasdaq Book unchanged or may be cancelled back to the Participant, depending on its choice.[6] A Participant's choice with regard to maintaining the Price to Comply Order or cancelling it is set in advance for each port through which the Participant enters Orders.

[6] Therefore, for example, if a Price to Comply Order to buy at $11.02 would cross a Protected Offer of $11, the Order will be ranked at a non-displayed price of $11 but will be displayed at $10.99. If the Best Offer changes to $11.01, the Order will not be repriced, but rather will either remain with a displayed price of $10.99 but ranked at a non-displayed price of $11 or be cancelled back to the Participant, depending on its choice.

- If the entered limit price of the Price to Comply Order locked a Protected Quotation, the Price to Comply Order will be adjusted after initial entry only as follows. If the entered limit price would no longer lock a Protected Quotation, the Price to Comply Order may either remain on the Nasdaq Book unchanged, may be cancelled back to the Participant, or may be ranked and displayed at its original entered limit price, depending on the Participant's choice. A Participant's choice with regard to maintaining the Price to Comply Order, cancelling it, or allowing it to be displayed is set in advance for each port through which the Participant enters Orders. If the Price to Comply Order is ranked and displayed at its original entered limit price, it will receive a new timestamp, and will not thereafter be adjusted under this paragraph (Rule 4702(b)(1)(B)).

  The Exchange proposes to make the following changes to this rule:

  1. Provide that if the entered limit price of the Price to Comply Order crossed a Protected Quotation and the NBBO changes so that the Price to Comply Order could be displayed at a price at or closer to its entered limit price without locking or crossing a Protected Quotation, the Price to Comply Order may remain on the Nasdaq Book unchanged, be cancelled back to the Participant, or adjusted repeatedly closer to its limit price with changes to the NBBO, depending on the participant's choice; provided, however, that if the quotation of another market center moves in a manner that would lock or cross the displayed price of a Price to Comply Order, the prices of the Price to Comply Order will not be adjusted.[7] A Participant's choice with regard to

[7] Therefore, For example, if a Price to Comply Order to buy at $11.02 would cross a Protected Offer of $11, the Order will be ranked at a non-displayed price of $11 but will be displayed at $10.99. If the Best Offer changes to $11.01, the Order will remain with a displayed price of $10.99 but ranked at a non-displayed price of $11, be cancelled back to the Participant, or repriced to a displayed price of $11 but ranked at a non-displayed price of $11.01, depending on the Participant's choice.

maintaining the Price to Comply Order unchanged, repricing it, or cancelling it is set in advance for each port through which the Participant enters Orders.

2. Provide that the Price to Comply Order receives a new timestamp each time its price is changed.
3. Provide that if a Participant chooses to have the price of a Price to Comply Order adjusted in response to a change in a Protected Quotation, the Price to Comply Order can be repriced closer to its original entered limit price (i.e., repriced to a more aggressive price). However, if a change in a Protected Quotation would require a Price to Comply Order to be repriced farther away from its original entered limit price (i.e., repriced to a more passive price), the Price to Comply Order will be cancelled, instead.
4. Provide that if the original entered limit price of the Price to Comply Order would no longer lock or cross a Protected Quotation, the Price to Comply Order will be ranked and displayed at that price and will receive a new timestamp, and will not thereafter be adjusted under this paragraph (Rule 4702(b)(1)(B)).

Equity 4, Rule 4702(b)(2) (Price to Display Order)

Currently, Rule 4702(b)(2) specifies the behavior of Price to Display Orders. Rule 4702(b)(2)(B) provides that if a Price to Display Order entered through OUCH or FLITE, during Regular Market Hours the Price to Display Order may be adjusted in the following manner after initial entry and posting to the Nasdaq Book:

- If the entered limit price of the Price to Display Order locked or crossed a Protected Quotation and the NBBO changes so that the Price to Display Order could be ranked and displayed at a price at or closer to its original entered limit

price without locking or crossing a Protected Quotation, the Price to Display Order may either remain on the Nasdaq Book unchanged or may be cancelled back to the Participant, depending on the Participant's choice.[8] A Participant's choice with regard to maintaining the Price to Display Order or cancelling it is set in advance for each port through which the Participant enters Orders.

The Exchange proposes to make the following changes to this rule:

1. Provide that if the entered limit price of the Price to Display Order locked or crossed a Protected Quotation and the NBBO changes so that the Price to Display Order could be ranked and displayed at a price at or closer to its original entered limit price without locking or crossing a Protected Quotation, the Price to Display Order may remain on the Nasdaq Book unchanged, be cancelled back to the Participant, or adjusted repeatedly closer to its limit price with changes to the NBBO, depending on the Participant's choice.[9] The Order may be repriced repeatedly, but only when it can be repriced to a more aggressive price, until such time as the Price to Display Order is able to be displayed and ranked at its original entered limit price.[10] A Participant's choice with regard to maintaining the Price to Display Order unchanged, repricing it, or cancelling it is set in advance for each port through which the Participant enters

---

8 Therefore, for example, if a Price to Display Order to buy at $11.02 would cross a Protected Offer of $11, the Order will be ranked and displayed at $10.99. If the Best Offer changes to $11.01, the Price to Display Order will not be repriced, but rather will either remain at its current price or be cancelled back to the Participant, depending on its choice.

9 Therefore, for example, if a Price to Display Order to buy at $11.02 would cross a Protected Offer of $11, the Order will be ranked and displayed at $10.99. If the Best Offer changes to $11.01, the Price to Display Order will either remain at its current price, be cancelled back to the Participant, or repriced to $11.00, depending on the Participant's choice.

10 $11.02 in the example in the immediately preceding footnote.

Orders. The Price to Display Order receives a new timestamp each time its price is changed.

2. Provide that if a Participant chooses to have the price of a Price to Display Order adjusted in response to a change in a Protected Quotation, the Price to Display Order can be repriced closer to its original entered limit price (i.e., repriced to a more aggressive price).
3. Provide that if the original entered limit price of the Price to Display Order would no longer lock or cross a Protected Quotation, the Price to Display Order will be displayed and ranked at that price and will receive a new timestamp, and will not thereafter be adjusted under this paragraph (Rule 4702(b)(2)(B)).

Equity 4, Rule 4702(b)(3) (Non-Displayed Order)

Currently, Rule 4702(b)(3) specifies the behavior of Non-Displayed Orders. Rule 4702(b)(3)(B) provides that if a Non-Displayed Order entered through OUCH or FLITE, during Regular Market Hours the Non-Displayed Order may be adjusted in the following manner after initial entry and posting to the Nasdaq Book:

- If the original entered limit price of the Non-Displayed Order locked or crossed a Protected Quotation and the NBBO changes so that the Non-Displayed Order could be posted at a price at or closer to its original entered limit price without crossing a Protected Quotation, the Non-Displayed Order may either remain on the Nasdaq Book unchanged or may be cancelled back to the Participant, depending on its choice.[11] A Participant's choice with regard to maintaining the

[11] Therefore, for example, if a Non-Displayed Order to buy at $11.02 would cross a Protected Offer of $11, the Order will be priced at $11. If the Best Offer changes to $11.01, the Order will not be repriced, but rather will either remain at its current $11 price or be cancelled back to the Participant, depending on its choice.

Non-Displayed Order or cancelling it is set in advance for each port through which the Participant enters Orders.

The Exchange proposes to make the following changes to this rule:

1. Provide that if the original entered limit price of the Non-Displayed Order locked or crossed a Protected Quotation and the NBBO changes so that the Non-Displayed Order could be posted at a price at or closer to its original entered limit price without crossing a Protected Quotation, the Non-Displayed Order may remain on the Nasdaq Book unchanged, be cancelled back to the Participant, or adjusted repeatedly closer to its limit price with changes to the NBBO, depending on the Participant's choice.[12] A Participant's choice with regard to maintaining the Non-Displayed Order unchanged, repricing it, or cancelling it is set in advance for each port through which the Participant enters Orders. The Non-Displayed Order receives a new timestamp each time its price is changed.
2. Provide that if a Participant chooses to have the price of a Non-Displayed Order adjusted in response to a change in a Protected Quotation, the Non-Displayed Order can be repriced closer to its original entered limit price (i.e., repriced to a more aggressive price). However, if a change in a Protected Quotation would require a Non-Displayed Order to be repriced farther away from its original entered limit price (i.e., repriced to a more passive price), the Non-Displayed Order will be cancelled, instead.

[12] Therefore, for example, if a Non-Displayed Order to buy at $11.02 would cross a Protected Offer of $11, the Order will be priced at $11. If the Best Offer changes to $11.01, the Order will remain at its current $11 price, be cancelled back to the Participant, or repriced to $11.01, depending on the Participant's choice.

Equity 4, Rule 4702(b)(4) (Post-Only Order)

Currently, Rule 4702(b)(4) specifies the behavior of Post-Only Orders. Rule 4702(b)(4)(B) provides that if a Post-Only Order entered through OUCH or FLITE, the price of the Post-Only Order may be adjusted in the following manner after initial entry and posting to the Nasdaq Book:

- During Regular Market Hours, if the original entered limit price of the Post-Only Order locked or crossed a Protected Quotation, the Post-Only Order may be adjusted after initial entry in the same manner as a Price to Comply Order (or a Price to Display Order, if it is Attributable). Thus, in the case of a Non-Attributable Post-Only Order that crossed a Protected Quotation, if the NBBO changed so that the Post-Only Order could be ranked and displayed at a price at or closer to its original entered limit price without locking or crossing a Protected Quotation, the Post-Only Order may either remain on the Nasdaq Book unchanged or may be cancelled back to the Participant, depending on its choice. In the case of a Non-Attributable Post-Only Order that locked a Protected Quotation, if the limit price would no longer lock a Protected Quotation, the Post-Only Order may either remain on the Nasdaq Book unchanged, may be cancelled back to the Participant, or may be ranked and displayed at its original entered limit price, depending on the Participant's choice, and will not thereafter be adjusted under this paragraph (B). If the Post-Only Order is displayed at its original entered limit price, it will receive a new timestamp. Finally, in the case of an Attributable Post-Only Order that locked or crossed a Protected Quotation, if the NBBO changed so that the Post-Only Order could be ranked and displayed at a price at or closer to its original entered limit price without locking or crossing a Protected Quotation, the Post-Only Order may either remain on the Nasdaq

Book unchanged or may be cancelled back to the Participant, depending on the Participant's choice. A Participant's choice with regard to adjustment of Post-Only Orders is set in advance for each port through which the Participant enters Orders.

- During System Hours, if the original entered limit price of the Post-Only Order locked or crossed a displayed Order on the Nasdaq Book and the Nasdaq Book changes so that the original entered limit price would no longer lock or cross an Order on the Nasdaq Book, the Post-Only Order may either remain on the Nasdaq Book unchanged or may be cancelled back to the Participant, depending on the Participant's choice.[13] A Participant's choice with regard to maintaining the Post-Only Order or cancelling it is set in advance for each port through which the Participant enters Orders.

The Exchange proposes to make the following changes to this rule:

1. Provide that during Regular Market Hours, if the original entered limit price of the Post-Only Order locked or crossed a Protected Quotation, the Post-Only Order may be adjusted after initial entry in the same manner as a Price to Comply Order (or a Price to Display Order, if it is Attributable). Thus, in the case of a Non-Attributable Post-Only Order that crossed a Protected Quotation, if the NBBO changed so that the Post-Only Order could be ranked and displayed at a price at or closer to its original entered limit price without locking or crossing a Protected Quotation, the Post-Only Order may remain on the Nasdaq Book unchanged, be cancelled back to the Participant, or adjusted repeatedly closer to its limit price with changes to the NBBO,

[13] Therefore, for example, if a Post-Only Order to buy at $11 would lock a displayed Order on the Nasdaq Book priced at $11, the Post-Only Order will be ranked and displayed at $10.99. If the Order at $11 is cancelled or executed, the Post- Only Order may either remain with a displayed price of $10.99 or be cancelled back to the Participant, depending on the Participant's choice.

depending on the Participant's choice.[14] In the case of a Non-Attributable Post-Only Order that locked a Protected Quotation, if the limit price would no longer lock a Protected Quotation, the Post-Only Order may either remain on the Nasdaq Book unchanged, may be cancelled back to the Participant, or may be ranked and displayed at its original entered limit price, depending on the Participant's choice, and will not thereafter be adjusted under this paragraph (B). If the Post-Only Order is displayed at its original entered limit price, it will receive a new timestamp. Finally, in the case of an Attributable Post-Only Order that locked or crossed a Protected Quotation, if the NBBO changed so that the Post-Only Order could be ranked and displayed at a price at or closer to its original entered limit price without locking or crossing a Protected Quotation, the Post-Only Order may remain on the Nasdaq Book unchanged, be cancelled back to the Participant, or adjusted repeatedly closer to its limit price with changes to the NBBO, depending on the Participant's choice.[15] A Participant's choice with regard to adjustment of Post-Only Orders is set in advance for each port through which the Participant enters Orders.

2. Provide that if during Regular Market Hours a Participant chooses to have the price of a Post-Only Order adjusted in response to a change in a Protected Quotation, the Post-Only Order can be repriced closer to its original entered limit price (i.e., repriced to a more aggressive price). However, if a change in a Protected Quotation would

---

[14] Therefore, for example, if a Non-Attributable Post-Only Order to buy at $11.02 would cross a Protected Offer of $11, the Order will be ranked at a non-displayed price of $11 but will be displayed at $10.99. If the Best Offer then moves to $11.01, the displayed price will be changed to $11 and the non-displayed price at which the Order is ranked will be changed to $11.01.

[15] Therefore, for example, if an Attributable Post-Only Order to buy at $11.02 would cross a Protected Offer of $11, the Order will be ranked at a non-displayed price of $11 but will be displayed at $10.99. If the Best Offer then moves to $11.01, the displayed price will be changed to $11 and the non-displayed price at which the Order is ranked will be changed to $11.01.

require a Post-Only Order to be repriced farther away from its original entered limit price (i.e., repriced to a more passive price), the Post-Only Order will be cancelled, instead.

3. Provide that during Regular Market Hours, if the original entered limit price of the Post-Only Order would no longer lock or cross a Protected Quotation, the Post-Only Order will be ranked and displayed at that price and will receive a new timestamp, and will not thereafter be adjusted under this paragraph (Rule 4702(b)(4)(B)).
4. Provide that during System Hours, if the original entered limit price of the Post-Only Order locked or crossed a displayed Order on the Nasdaq Book and the Nasdaq Book changes so that the original entered limit price would no longer lock or cross an Order on the Nasdaq Book, the Post-Only Order may remain on the Nasdaq Book unchanged, be cancelled back to the Participant, or adjusted repeatedly closer to its limit price with changes to the best offer or best bid displayed on the Nasdaq Book, depending on the Participant's choice.[16] A Participant's choice with regard to maintaining the Post-Only Order unchanged, repricing it, or cancelling it is set in advance for each port through which the Participant enters Orders.
5. Provide that if during System Hours a Participant chooses to have the price of a Post-Only Order adjusted in response to a change in the best bid or best offer displayed on the Nasdaq Book, the Post-Only Order can be repriced closer to its original entered limit price (i.e., repriced to a more aggressive price).

[16] Therefore, for example, if a Post-Only Order to buy at $11 would lock a displayed Order on the Nasdaq Book priced at $11, the Post-Only Order will be ranked and displayed at $10.99. If the Order at $11 is cancelled or executed, the Post-Only Order may either remain with a displayed price of $10.99, be cancelled back to the Participant, or be ranked and displayed at $11, depending on the Participant's choice.

6. Provide that during System Hours, if the original entered limit price of the Post-Only Order would no longer lock or cross a displayed Order on the Nasdaq Book, the Post-Only Order will be ranked and displayed at that price and will receive a new timestamp, and will not thereafter be adjusted under this paragraph (Rule 4702(b)(4)(B)).

Equity 4, Rule 4702(b)(5) (Midpoint Peg Post-Only Order)

Currently, Rule 4702(b)(5) specifies the behavior of Midpoint Peg Post-Only Order. The Midpoint Peg Post-Only Order is available during Regular Market Hours only. A subset of these orders are Fixed Midpoint Peg Post-Only Orders. Rule 4702(b)(5)(B) provides that a Fixed Midpoint Peg Post-Only Order may be adjusted in the following manner after initial entry and posting to the Nasdaq Book:

- The price at which the Midpoint Peg Post-Only Order is ranked on the Nasdaq Book is the midpoint between the NBBO, unless the Order has a limit price that is lower than the midpoint between the NBBO for an Order to buy (higher than the midpoint between the NBBO for an Order to sell), in which case the Order will be ranked on the Nasdaq Book at its limit price. The price of the Order will not thereafter be adjusted based on changes to the NBBO.
- Currently, Fixed Midpoint Peg Post-Only Order will be cancelled back to the Participant after initial entry and posting to the Nasdaq Book if any of five conditions are met. The second of these conditions is as follows: The Order to buy (sell) is entered with a limit price above (below) the Midpoint of the NBBO and is ranked at the Midpoint of the NBBO; thereafter, the NBBO changes so that the Midpoint changes and the Order is no longer at the NBBO Midpoint.

The Exchange proposes to make the following changes to this rule as it concerns Fixed Midpoint Peg Post-Only Orders:

1. Specify that Fixed Midpoint Peg Post-Only Orders are only available through the OUCH and FLITE order entry protocols. This change reflects existing Exchange functionality that is not currently described in the rule book. The Exchange is here proposing to correct this oversight.
2. Provide that the price at which the Midpoint Peg Post-Only Order is ranked on the Nasdaq Book is the midpoint between the NBBO, unless the Order has a limit price that is lower than the midpoint between the NBBO for an Order to buy (higher than the midpoint between the NBBO for an Order to sell), in which case the Order will be ranked on the Nasdaq Book at its limit price. After a Midpoint Peg Post-Only Order that is entered with a limit price above the Midpoint for an Order to buy (lower than the Midpoint for an Order to sell) is posted to the Nasdaq Book, if the Inside Bid and/or Inside Offer changes such that the Midpoint changes and the Order is no longer at the Midpoint, the Order will either be cancelled back to the Participant, or adjusted repeatedly closer to its limit price with changes to the relevant Inside Quotation, depending on the Participant's choice.
3. Modify the second of the five conditions detailed above for when a Fixed Midpoint Peg Post-Only Order will be cancelled back to the Participant after initial entry and posting to the Nasdaq Book. Whereas that second condition currently states that "The Order to buy (sell) is entered with a limit price above (below) the Midpoint of the NBBO and is ranked at the Midpoint of the NBBO; thereafter, the NBBO <u>changes</u> so that the Midpoint changes and the Order is no longer at the NBBO Midpoint," this

same condition would now read as follows: "The Order to buy (sell) is entered with a limit price above (below) the Midpoint of the NBBO and is ranked at the Midpoint of the NBBO; thereafter, the NBBO changes so that the Midpoint becomes lower (higher) and the Order is no longer at the NBBO Midpoint."

4. In Equity 4, Rule 4702(b)(5)(C), the Exchange proposes to delete the sentence that read as follows: "As discussed above, the price of a Fixed Midpoint Peg Post-Only Order will be pegged to the midpoint upon entry and not be adjusted thereafter." The Exchange is proposing this deletion because this sentence would be obsoleted by the changes to the behavior of Fixed Midpoint Peg Post-Only Orders outlined above.

Equity 4, Rule 4703(d) (The Pegging Order Attribute)

Rule 4703 sets out the Order Attributes that may be assigned to those Order Types for which they are available. Rule 4703(d) sets out the Order Attribute of Pegging. This Order Attribute allows an Order to have its price automatically set with reference to the NBBO, subject to certain conditions. As it relates to Fixed Midpoint Orders, Rule 4703(d) specifies, in part, the following:

- Currently, the Nasdaq system will cancel "Fixed Midpoint" Orders in response to changes to the Midpoint.
- Currently, after posting to the Nasdaq Book, the price of a Fixed Midpoint Order will not thereafter be adjusted based on changes to the Inside Bid or Offer.
- Currently, a Fixed Midpoint Order will be cancelled back to the Participant after initial entry and posting to the Nasdaq Book if any of certain conditions are met, including that the Order to buy (sell) is entered with a limit price above (below) the Midpoint and is

ranked at the Midpoint and, thereafter, the Inside Bid and/or Inside Offer change so that the Midpoint changes and the Order is no longer at the Midpoint.

The Exchange proposes to make several changes to this rule:

1. Provide that the Nasdaq system will cancel or update Fixed Midpoint Orders in response to changes to the Midpoint.
2. Specify that Fixed Midpoint Orders are only available through the OUCH and FLITE order entry protocols. This change represents existing Exchange functionality that is not currently described in the rule book. The Exchange is here proposing to correct this oversight.
3. Provide that, after posting to the Nasdaq Book, a Fixed Midpoint Order to buy (sell) that was entered with a limit price above (below) the Midpoint will either be cancelled back to the Participant, or adjusted repeatedly closer to its limit price with changes to the relevant Inside Quotation, depending on the Participant's choice, if the Inside Bid and/or Inside Offer changes such that the Midpoint changes and the Order is no longer at the Midpoint.
4. Provide that a Fixed Midpoint Order will be cancelled back to the Participant after initial entry and posting to the Nasdaq Book if any of certain conditions are met, including that the Order to buy (sell) is entered with a limit price above (below) the Midpoint and is ranked at the Midpoint and, thereafter, the Inside Bid and/or Inside Offer change so that the Midpoint becomes lower (higher) and the Order is no longer at the Midpoint.

5. The Exchange proposes to make several non-substantive changes to Rule 4703(d), so that this rule is easier for Participants to follow it and understand it. These non-substantive changes are as follows:

    a. Restate in a few places that Managed Midpoint Orders are only available through OUCH, RASH, and FIX. In other words, orders with this specific pegging attribute are available through all order entry protocols, except for FLITE. This is currently stated elsewhere in the same rule ("[Peg Managed Orders] are available through OUCH, RASH, and FIX only").

    b. Spell out that a Peg Managed Order with a Routing Order Attribute can only be entered through RASH or FIX. This is derived from statements, elsewhere in Equity 4, that Routing is only available through RASH, FIX, and FLITE. However, elsewhere in Rule 4703(d) it also states that Peg Managed Orders cannot be entered through FLITE. Therefore, only RASH and FIX can possibly support a Peg Managed Order with a Routing Order Attribute.

    c. Spell out that regardless of the order entry protocol used, an Order with Pegging may specify a limit price beyond which the Order may not be executed. This is currently implied in Rule 4703(d), because the rule is currently silent as to whether this statement applies only to certain order entry protocols.

    d. Spell out that regardless of the order entry protocol used, a Midpoint Pegging Order will have its price set upon initial entry to the Midpoint, unless the Order has a limit price, and that limit price is lower than the Midpoint for an Order to buy (higher than the Midpoint for an Order to sell), in which case the

Order will be ranked on the Nasdaq Book at its limit price. This is currently implied in Rule 4703(d), because the rule is currently silent as to whether this statement applies only to certain order entry protocols.

e. Spell out that regardless of the order entry protocol used, if the Inside Bid and Inside Offer are locked, an Order with Midpoint Pegging that locked an Order on the Nasdaq Book would execute (provided, however, that a Midpoint Peg Post-Only Order would execute or post as described in Rule 4702(b)(5)(A)). This is currently implied in Rule 4703(d), because the sentence that contains this provision does not specify whether it applies only to certain order entry protocols.

f. A few minor grammatical changes that do not alter the substance of the rule.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[17] in general, and furthers the objectives of Section 6(b)(5) of the Act,[18] in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

The Exchange believes that the proposed rule change is consistent with Section 6(b)(5) of the Act because it will promote just and equitable principles of trade and remove impediments to and perfect the mechanism of a free and open market and a national market system by enhancing the price sliding functionality available to Participants that enter Orders through the OUCH and

[17] 15 U.S.C. 78f(b).

[18] 15 U.S.C. 78f(b)(5).

FLITE protocols. As described above, the proposal will permit certain OUCH and FLITE Orders to be repriced closer to their original entered limit prices in response to changes in the NBBO, protected quotations, the best bid or offer displayed on the Nasdaq Book, the Midpoint, or the applicable Price Bands, depending on the Order Type, the market condition, and the Participant's instructions. The Exchange believes this functionality will allow Participants to express their intended trading interest more efficiently while preserving the protections built into the Exchange's rules to avoid locking or crossing protected quotations, posting or executing at impermissible prices, or otherwise producing outcomes inconsistent with the applicable Order Type or Order Attribute.

The Exchange also believes that the proposal is consistent with the Act because the proposed functionality is optional and participant-directed. Under the proposed changes, Participants using OUCH or FLITE may configure, in advance, whether applicable Orders will remain on the Nasdaq Book unchanged, be cancelled back to the Participant, or be adjusted repeatedly closer to their limit price where market conditions permit. Providing this choice will help Participants select the order handling behavior that best aligns with their trading strategies, while the rule text will continue to specify the circumstances in which Orders will receive new timestamps, be cancelled, or cease to be adjusted. The Exchange believes that this combination of Participant choice and rule-based constraints promotes fair and orderly handling of Orders and protects investors and the public interest.

The Exchange believes that the proposed changes to Fixed Midpoint Orders and Fixed Midpoint Peg Post-Only Orders are likewise consistent with the Act because they will make the rulebook clearer, more accurate, and more closely aligned with the intended operation of these Orders. Prior Nasdaq and Nasdaq-affiliated filings have recognized that it is consistent with the

Act to amend the rulebook to reflect upgraded OUCH capabilities, to describe pegged order behavior by reference to whether orders are managed or fixed rather than only by reference to the order entry protocol used, and to reorganize rule text so that it is more logical and readily comprehensible. Here, the proposed changes similarly update the treatment of Fixed Midpoint Orders and Fixed Midpoint Peg Post-Only Orders so that Participants can choose cancellation or repeated adjustment closer to the Order's limit price when the Midpoint changes, while preserving the cancellation conditions that prevent those Orders from resting or repricing in circumstances inconsistent with the Order's intended midpoint functionality.

The Exchange also believes that the non-substantive clarifications in the proposed rule change are consistent with the Act because they will help Participants understand how the affected Order Types and Order Attributes operate. Prior Nasdaq and affiliated exchange filings have relied on the same principle when correcting omissions, reorganizing rule text, or clarifying how upgraded order entry protocol functionality operates. The Exchange believes that clarifying which protocols support Managed Midpoint Orders, Peg Managed Orders with Routing Order Attributes, limit price instructions for Orders with Pegging, and Midpoint Pegging behavior will promote transparency and reduce potential confusion, thereby helping Participants select the most appropriate order entry protocol and order handling instructions for their trading objectives.

The Exchange also believes that the proposed rule text corrections are consistent with the Act because they will cause the rulebook to more accurately and completely describe existing Exchange functionality and the operation of the affected Order Types and Order Attributes. In particular, the proposal specifies that Fixed Midpoint Peg Post-Only Orders and Fixed Midpoint Orders are available only through OUCH and FLITE, which reflects existing Exchange functionality that is not currently described in the rulebook. The proposal also clarifies related

aspects of Rule 4703(d), including protocol availability for Managed Midpoint Orders, the entry protocols that may support a Peg Managed Order with a Routing Order Attribute, the use of limit prices for Orders with Pegging regardless of protocol, the initial pricing of Midpoint Pegging Orders, and the treatment of locked Inside Bid and Inside Offer conditions. These corrections and clarifications are reduce potential confusion, and help Participants understand and select the appropriate order entry protocol and order handling instructions.

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.

The proposal will not impose an undue burden on intermarket competition because it is designed to enhance Nasdaq's order handling functionality in a highly competitive market for order flow. Nasdaq and its affiliated exchanges have previously explained that changes facilitating enhancements to exchange systems and order entry protocols are pro-competitive because they bolster the efficiency, functionality, and overall attractiveness of the exchange in an absolute sense and relative to its peers. The Exchange believes the same rationale applies here because the proposal will allow Nasdaq to offer enhanced price sliding and midpoint order handling functionality through OUCH and FLITE, thereby enabling the Exchange to compete more effectively with other execution venues that offer order handling functionality designed to give market participants flexibility in posting, repricing, or cancelling orders.

The proposal also will not impose an undue burden on intramarket competition. The proposed functionality will be available to all similarly situated Participants that use the affected order entry protocols and configure their ports or Orders to use the applicable functionality. Participants that do not wish to use the enhanced repricing functionality may choose cancellation or unchanged resting behavior where the applicable rule permits, and Participants remain free to

select the order entry protocol and Order Type that best serve their trading strategies. Because the proposed changes apply uniformly based on objective protocol, Order Type, Order Attribute, and Participant instruction criteria, the Exchange does not believe the proposal will unfairly discriminate among Participants or place any category of Participant at a competitive disadvantage.

To the contrary, the Exchange believes the proposal will enhance competition by improving the efficiency and utility of Nasdaq's order handling functionality. The proposed changes are intended to reduce unnecessary order entry and cancellation activity, allow Participants to maintain greater control over whether an Order remains posted, is cancelled, or is repriced, and permit the Exchange to process applicable Orders in a manner more closely aligned with Participant instructions. The Exchange therefore believes that the proposal will support, rather than burden, competition among exchanges and among Participants by improving the choices available to Participants and by making Nasdaq's rules more transparent and its order handling functionality more efficient.

The Exchange likewise does not believe that the proposed rule text corrections will impose any burden on competition. These corrections are not designed to alter the competitive position of any Participant or category of Participants, but instead to make the rulebook accurately reflect existing functionality and to clarify how the affected Order Types and Order Attributes operate. Because the corrections will apply uniformly to all Participants and will not change the availability of the relevant functionality except as otherwise described in the proposed rule change, the Exchange believes they will have no adverse impact on intramarket competition. The Exchange also believes the corrections will support intermarket competition by improving the clarity and reliability of Nasdaq's rules, which helps Participants compare

Nasdaq's order handling functionality with that of other venues and select the venue and protocol that best meet their trading objectives.

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)(iii) of the Act[19] and subparagraph (f)(6) of Rule 19b-4 thereunder.[20]

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.

---

19 15 U.S.C. 78s(b)(3)(A)(iii).

20 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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.

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-2026-099 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-2026-099. 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 filing 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-2026-099 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.[21]

Vanessa A. Countryman,

Secretary.

[21] 17 CFR 200.30-3(a)(12).