

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-71827; File No. SR-NASDAQ-2012-129)

March 28, 2014

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Order Granting an Extension to Limited Exemption From Rule 612(c) of Regulation NMS In Connection With the Exchange's Retail Price Improvement Program

On February 15, 2013, the Commission issued an order pursuant to its authority under Rule 612(c) of Regulation NMS ("Sub-Penny Rule")¹ that granted the NASDAQ Stock Market LLC ("NASDAQ") a limited exemption from the Sub-Penny Rule in connection with the operation of the Exchange's Retail Price Improvement Program ("Program").² The limited exemptions were granted concurrently with the Commission's approval of the Exchanges' proposals to adopt their respective Retail Liquidity Programs for one-year pilot terms.³ The exemption was granted coterminous with the effectiveness of the pilot Program; both the pilot Program and exemption are scheduled to expire on March 28, 2014.

The Exchange now seeks to extend the exemption until September 30, 2014.⁴ The Exchange's request was made in conjunction with an immediately effective filing that extends the operation of the Programs for six months, through September 30, 2014.⁵ In its request to extend the exemption, the Exchange notes that the Program was subject to gradual implementation. Accordingly, the Exchange has asked for additional time to allow it and the

¹ 17 CFR 242.612(c).

² See Securities Exchange Act Release No. 68937 (February 15, 2013), 78 FR 12397 (February 22, 2013) (SR-NASDAQ-2012-129) ("RPI Approval Order").

³ See id.

⁴ See Letter from John Yetter, Deputy General Counsel, The NASDAQ Stock Market LLC to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission dated March 24, 2014.

⁵ See SR-NASDAQ-2014-030.

Commission to analyze more robust data concerning the Program, which the Exchange committed to provide to the Commission.⁶ For this reason and the reasons stated in the Order originally granting the limited exemption, the Commission finds that extending the exemption, pursuant to its authority under Rule 612(c) of Regulation NMS, is appropriate in the public interest and consistent with the protection of investors.

THEREFORE, IT IS HEREBY ORDERED that, pursuant to Rule 612(c) of Regulation NMS, the Exchange is granted a six-month extension of the limited exemption from Rule 612 of Regulation NMS that allows it to accept and rank orders priced equal to or greater than \$1.00 per

⁶ See RPI Approval Order, supra note 2, 78 FR at 12399.

share in increments of \$0.001, in connection with the operation of its Retail Price Improvement Program.

The limited and temporary exemption extended by this Order is subject to modification or revocation if at any time the Commission determines that such action is necessary or appropriate in furtherance of the purposes of the Exchange Act. Responsibility for compliance with any applicable provisions of the federal securities laws must rest with the persons relying on the exemption that are the subject of this Order.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷

Kevin M. O'Neill
Deputy Secretary

⁷ 17 CFR 200.30-3(a)(83).