SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-91843; File No. SR-NASDAQ-2021-039)  

May 11, 2021  

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Temporarily Suspend Publication on Certain Proprietary Data Feeds  

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 May 4, 2021, 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 Substance of the Proposed Rule Change  

The Exchange proposes to temporarily suspend publication on certain proprietary data feeds of last sale information on securities that are projected to exceed 98 percent of the maximum allowable value of the feed. The suspension will be effective on May 4, 2021, and will conclude on May 17, 2021, when the maximum allowable value of the feed will be substantially enhanced. The proposed suspension will impact the following data feeds: Nasdaq Last Sale and Nasdaq Last Sale Plus (Equity 7, Section 139), Nasdaq Basic (Equity 7, Section 147), and Nasdaq FilterView (Equity 7, Section 137).  

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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

Nasdaq proposes to temporarily suspend, on an emergency basis, the publication on certain proprietary data feeds of last sale information on securities that are projected to exceed 98 percent of the maximum allowable value of the feed. The suspension will be effective on May 4, 2021, and will conclude on May 17, 2021, when the maximum allowable value of the feed will be substantially enhanced. The proposed suspension will impact the following data feeds: Nasdaq Last Sale and Nasdaq Last Sale Plus (Equity 7, Section 139), Nasdaq Basic (Equity 7, Section 147), and Nasdaq FilterView (Equity 7, Section 137).

The last sale data on the four data feeds listed above is currently written in a 4-byte hexadecimal computer code format, which establishes a maximum allowable value of $429,496.7926. If the price of a security meets the maximum allowable price, it resets to zero. Nasdaq plans to remove that maximum allowable price on May 17, 2021, by substituting the 4-byte hexadecimal format with an 8-byte hexadecimal format using a long-form trade message,
eliminating the possibility that the price of any existing security will reset to zero. Until May 17, however, as a protective safeguard to prevent the dissemination of incorrect data, Nasdaq proposes to suspend reporting of any security that is projected to exceed 98 percent of the maximum allowable value of the feed ($420,906,856). This is a temporary measure that will have no permanent impact on any of the four data feeds listed above after the upgrade goes into effect on May 17, 2021.

Only one NMS security is projected to exceed 98 percent of the maximum allowable value between May 4 and May 17, 2021, based on intraday price movements observed on May 3, 2021.

The last sale data for any security not published on the Nasdaq proprietary data feeds will be available through the securities information processors.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act, in general, and furthers the objectives of Section 6(b)(5) of the Act, 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 purpose of this proposal is to prevent the last sale price for any of the proprietary data feeds listed above from resetting to zero because a security has reached the maximum allowable value of $429,496,792.6. Nasdaq believes that this protective safeguard will prevent the dissemination of incorrect data, and will thereby promote just and equitable principles of

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trade, remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors and the public interest.

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. As explained above, the Proposal is a protective safeguard to prevent the dissemination of incorrect data. It will have no impact on intermarket competition (the competition among SROs) because this temporary measure will have no long-term impact on the competition among exchanges in the sale of top-of-book data. It will have no impact on intramarket competition (the competition among exchange customers) because no purchaser of the affected data feeds will be treated any differently than any other purchaser of the affected data feeds.

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 Act\(^5\) and Rule 19b-4(f)(6) thereunder.\(^6\)


\(^6\) 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
A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act\(^7\) normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)\(^8\) 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 requested that the Commission waive the 30-day operative delay. Waiver of the operative delay would allow the Exchange to avoid disseminating inaccurate last sale information in its proprietary market data feeds without delay, in the event the last sale price for any security reaches the maximum allowable value of $429,496.7926. According to the Exchange, only one NMS security is projected to be affected by the temporary suspension, which will conclude on May 17, 2021 when the maximum allowable value of the feeds will be substantially enhanced. Moreover, last sale information for any security not published on the Exchange’s proprietary market data feeds will be available through the securities information processors. For these reasons, the Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposed rule change operative upon filing.\(^9\)

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

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\(^9\) For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).
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:

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-2021-039 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-2021-039. 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-2021-039 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.10

J. Matthew DeLesDernier  
Assistant Secretary