SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–76706; File No. SR–BATS–2015–116]

Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Related to Fees for BZX Options

December 21, 2015.

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 9, 2015, BATS Exchange, Inc. (the ''Exchange'' or ''BATS'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. The Exchange has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act[3] and Rule 19b–4(f)(2) thereunder,[4] which renders the proposed rule change effective upon filing with the Commission. 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 filed a proposal to amend the fee schedule applicable to Members[5] and non-members of the Exchange pursuant to BATS Rules 15.1(a) and (c).

The text of the proposed rule change is available at the Exchange's Web site at *www.batstrading.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 Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts 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 modify its fee schedule applicable to the Exchange's options platform to: (i) Bifurcate Market Maker[6] and Non-BATS Market Maker[7] pricing; and (ii) to modify the criteria necessary to meet the Customer Penny Pilot Add Volume Tier 6 and the Non-Customer Penny Pilot Take Volume Tier 3.

Market Maker/Non-BATS Market Maker Pricing

The Exchange proposes to bifurcate Market Maker and Non-BATS Market Maker pricing within the fee schedule. To do so, the Exchange proposes to amend: (i) The Standard Rates table; (ii) the Fee Codes and Associated Fees table to (A) modify fee codes NM and PM; and (B) add new fee codes NN and PN; (iii) the NBBO Setter tiers under footnote 4 to reference fee codes NN and PN; (iv) footnote 6 to remove references to Non-BATS Market Maker pricing and copy Tier 1 and relocate Tier 3 and the Step-Up Tier to new footnote 10; and (v) footnote 7 to remove references to Non-BATS Market Maker Pricing and copy Tiers 1 and 2 to new footnote 11. The Exchange notes, other than as proposed herein, pricing for Non-BATS Market Maker transactions are the same as Market Maker transactions. The proposed rule change generally bifurcates the existing pricing for Market Makers and Non-BATS Market Makers.

Standard Rates and Fee Codes and Associated Fee Tables

First, the Exchange proposes to amend the Fee Codes and Associated Fee table to amend fee codes NM and PM to remove references to Non-BATS Market Maker Pricing. Pricing for Non-BATS Market Makers would be set forth under new fee codes NN and PN. Under current fee code NM, Market Makers and Non-BATS Market Makers that add liquidity in non-Penny Pilot Securities[8] receive a rebate of $0.42 per contract. Under proposed fee code NN, Non-BATS Market Makers that add liquidity in non-Penny Pilot Securities would receive a rebate of $0.36 per contract. Fee code NN would also include references to footnotes 4 and 11, discussed below.

Under current fee code PM, Market Makers and Non-BATS Market Makers that add liquidity in Penny Pilot Securities receive a rebate of $0.35 per contract. Under proposed fee code PN, Non-BATS Market Makers that add liquidity in Penny Pilot Securities would receive a rebate of $0.30 per contract. Fee code PN would also include references to footnotes 4 and 10, discussed below.

Second, the Exchange proposes to amend the Standard Rates table to add a row to delineate pricing for Non-BATS Market Makers. Non-BATS Market Maker orders that yield new fee code PN would receive a rebate of $0.30 per contract if they do not qualify for an enhanced rebates under the Exchange's tiered pricing structure. The Exchange does not proposes to amend the enhanced rebates, which are either $0.40, $0.43, or $0.46 per contract depending on the tier that the Non-BATS Market Maker qualifies for. Likewise, Non-BATS Market Maker orders that yield new fee code NN would receive a rebate of $0.36 per contract if they do not qualify for an enhanced rebates under the Exchange's tiered pricing structure. The Exchange does not propose to amend the enhanced rebates, which are either $0.45 or $0.52 per contract depending on the tier that the Non-BATS Market Maker qualifies for.

The Exchange believes it is reasonable to provide Market Makers with improved rates than Non-BATS Market Makers as the proposed differentiation recognizes the differing contributions made to the liquidity and trading environment on the Exchange by these market participants.

Footnote 4, NBBO Setter Tiers.

The Exchange proposes to amend the NBBO Setter tiers under footnote 4 to reference fee codes NN and PN. In addition to fee codes PA, PF, PM, NA, NF, and NM, the Exchange proposes to state that NBBO Setter Tiers 1, 2, and 3 are applicable to fee codes PN and NN.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A)(ii).

[4] 17 CFR 240.19b–4(f)(2).

[5] The term ''Member'' is defined as ''any registered broker or dealer that has been admitted to membership in the Exchange.'' *See* Exchange Rule 1.5(n).

[6] ''Market Maker'' applies to any transaction identified by a Member for clearing in the Market Maker range at the OCC, where such Member is registered with the Exchange as a Market Maker as defined in Rule 16.1(a)(37). *See* the Exchange's fee schedule *available at http://www.batsoptions.com/support/fee_schedule/bzx/.*

[7] ''Non-BATS Market Maker'' applies to any transaction identified by a Member for clearing in the Market Maker range at the OCC, where such Member is not registered with the Exchange as a Market Maker, but is registered as a market maker on another options exchange. *Id.*

[8] ''Penny Pilot Securities'' are those issues quoted pursuant to Exchange Rule 21.5, Interpretation and Policy .01. *Id.*

NBBO Setter Tier 4 would be applicable to fee code PN, in addition to PF and PM. All of the fee codes referenced in footnote 4 are applicable to orders that add liquidity.

Footnotes 6 and 10, Market Maker and Non-BATS Market Maker Penny Pilot Add Volume Tiers

The Exchange proposes to bifurcate the Market Maker and Non-Market Maker pricing in Penny Pilot Securities under footnote 6 by removing references to Non-BATS Market Maker pricing and copy Tier 1 and relocate Tier 3 and the Step-Up Tier to new footnote 10. Footnote 6 would be amended to remove references to Non-BATS Market Makers as the tiers under footnote 6 would only apply to Market Maker activity in Penny Pilot Securities. The criteria for Tier 2 under footnote 6 would continue to reference Non-BATS Market Makers as liquidity a Market Maker adds in a non-market making capacity would continue to be applied towards the tier's requirements.

Tiers applicable to Non-BATS Market Maker activity in Penny Pilot Securities would be set forth under new footnote 10. Fee code PN would be applicable to the tiers listed under footnote 10. Under Tier 1, a Non-BATS Market Maker would receive a rebate of $0.40 per contract where they have an ADV [9] equal to or greater than 0.30% of average TCV.[10] This is identical to Tier 1 under footnote 6 for Market Makers. Tier 3 and the Step-Up Tier would be deleted from footnote 6 relocated to new footnote 10 without change. Tier 3 from footnote 6 would be listed a Tier 2 under footnote 10. As they do today, a Non-BATS Market Maker would receive a rebate of $0.46 per contract under Tier 2 where they have an ADAV [11] in Firm/BD/JBO [12] orders in Penny Pilot Securities (yielding Fee Code PF) equal to or greater than 0.25% of average TCV or an ADV equal to or greater than 1.50% of average TCV. Likewise, under the Step-Up Tier under footnote 10, a Non-BATS Market Maker would receive a rebate of $0.43 per contract where they have an Options Step-Up Add TCV [13] in Non-Customer orders from March 2015 baseline equal to or greater than 0.15% or an ADAV in Non-BATS Market Maker/Firm/BD/JBO orders equal to or greater than 0.30% of average TCV.

Footnotes 7 and 11, Market Maker and Non-BATS Market Maker Non-Penny Pilot Add Volume Tiers

The Exchange proposes to bifurcate the Market Maker and Non-Market Maker pricing in non-Penny Pilot Securities under footnote 7 by removing references to Non-BATS Market Maker pricing and coping Tiers 1 and 2 to new footnote 11. Footnote 7 would be amended to remove references to Non-BATS Market Makers as the tiers under footnote 7 would only apply to Market Maker activity in non-Penny Pilot Securities.

Tiers applicable to Non-BATS Market Maker activity in non-Penny Pilot Securities would be set forth under new footnote 11. Tiers 1 and 2 under footnote 7 would be replicated under new footnote 11 without change. Under Tier 1, a Non-BATS Market Maker would continue to receive a rebate of $0.45 per contract where they have an ADV equal to or greater than 0.30% of average TCV. Under Tier 2, a Non-BATS Market Maker would continue to receive a rebate of $0.52 per contract where they have an ADV equal to or greater than 1.00% of average TCV. Fee code NN would be applicable to the tiers listed under footnote 11.

Customer Penny Pilot Add Volume Tier 6

The Exchange currently offers a total of eight Customer [14] Penny Pilot Add Volume Tiers that provide enhanced rebates for Customer orders in Penny Pilot Securities that add liquidity under fee code PY. Under the Customer Add Volume Tier 6, the Member would receive a rebate of $0.53 per contract where they have an ADAV in Customer orders equal to or greater than 1.80% of average TCV. The Exchange proposes to ease the criteria necessary to qualify for the Customer Penny Pilot Add Volume Tier 6 by requiring an ADAV in Customer orders equal to or greater than 1.60%, rather than 1.80% of average TCV.

Non-Customer Penny Pilot Take Volume Tier 3

The Exchange currently offers a total of three Non-Customer [15] Penny Pilot Take Volume Tiers that provide discounted fees for Non-Customer orders in Penny Pilot Securities that remove liquidity under fee code PP. Under the Non-Customer Take Volume Tier 3, the Member would be charged a discounted fee of $0.46 per contract where they have an ADAV in Non-Customer orders equal to or greater than 1.80% of average TCV. The Exchange proposes to ease the criteria necessary to qualify for the Non-Customer Penny Pilot Take Volume Tier 3 by requiring an ADAV in Customer orders equal to or greater than 1.60%, rather than 1.80% of average TCV.

Implementation Date

The Exchange proposes to implement these amendments to its fee schedule immediately.[16]

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6 of the Act.[17] Specifically, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,[18] in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and other persons using any facility or system which the Exchange operates or controls. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels to be excessive.

Market Maker/Non-BATS Market Maker Pricing

The Exchange also believes it is equitable, reasonable and not unfairly discriminatory to bifurcate Market Maker and Non-BATS Market Maker pricing within the fee schedule. The Exchange notes, other than as proposed herein, pricing for Non-BATS Market Maker transactions are the same as Market Maker transactions. The proposed rule change generally bifurcates the existing pricing for Market Makers and Non-BATS Market Makers. The proposed rule change would serve to clearly delineate within the fee schedule the fees, rebates and tiers available to Market Makers and Non-BATS Market Makers; thereby, avoiding Members confusion regarding the applicable fees and rebates.

The Exchange also believes it is equitable, reasonable and not unfairly discriminatory to provide Market Makers with improved rates than Non-BATS Market Makers. The proposed

[9] As defined in the Exchange's fee schedule.

[10] *Id.*

[11] *Id.*

[12] *Id.*

[13] As defined in the Exchange's fee schedule.

[14] *Id.*

[15] *Id.*

[16] The Exchange initially filed the proposed fee change on November 30, 2015 (SR–BATS–2015–107). On December 9, 2015, the Exchange withdrew that filing and submitted filing SR–BATS–2015–116.

[17] 15 U.S.C. 78f.

[18] 15 U.S.C. 78f(b)(4).

differentiation between Market Makers and Non-BATS Market Makers recognizes the differing contributions made to the liquidity and trading environment on the Exchange by these market participants. Market Makers, unlike Non-BATS Market Makers, have obligations on the Exchange and regulatory requirements,[19] which do not apply to Non-BATS Market Makers. A Market Maker on the Exchange has the obligation to make continuous markets, engage in course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and not make bids or offers or enter into transactions that are inconsistent with such course of dealings. On the other hand, Non-BATS Market Makers, do not have such obligations on the Exchange.

Customer Penny Pilot Add and Remove Tier Amendments

Volume-based rebates and fees such as the ones currently maintained on the Exchange have been widely adopted by equities and options exchanges and are equitable because they are open to all Members on an equal basis and provide additional benefits or discounts that are reasonably related to the value to an exchange's market quality associated with higher levels of market activity, such as higher levels of liquidity provision and/or growth patterns, and introduction of higher volumes of orders into the price and volume discovery processes. Easing the criteria for the Customer Penny Pilot Add Volume Tier 6 and Non-Customer Penny Pilot Take Volume Tier 3 are intended to incentivize Members to send additional orders to the Exchange in an effort to qualify for the enhanced rebate or discounted fee available by the respective tier.

The Exchange believes that these changes are reasonable, fair and equitable and non-discriminatory, for the reasons set forth with respect to volume-based pricing generally and because such changes will either incentivize participants to further contribute to market quality on the Exchange or will allow the Exchange to earn additional revenue that can be used to offset the addition of new pricing incentives. The Exchange also believes that the proposed fees and rebates remain consistent with pricing previously offered by the Exchange as well as competitors of the Exchange and do not represent a significant departure from the Exchange's general pricing structure.

[19] *See* Exchange Rule 22.5, Obligations of Market Makers.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Exchange believes the proposed amendments to its fee schedule would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed change represents a significant departure from previous pricing offered by the Exchange or pricing offered by the Exchange's competitors. Additionally, Members may opt to disfavor the Exchange's pricing if they believe that alternatives offer them better value. Accordingly, the Exchange does not believe that the proposed change will impair the ability of Members or competing venues to maintain their competitive standing in the financial markets. The Exchange does not believes its bifurcation of Market Maker and Non-BATS Market Maker pricing would burden competition as they are intended to simply clearly delineate within the fee schedule the fees, rebates and tiers available to Market Makers and Non-BATS Market Makers; thereby, avoiding Members confusion regarding the applicable fees and rebates. The Exchange also does not believe that providing Market Makers with improved rates than Non-BATS Market Makers would burden competition as the proposed differentiation recognizes the differing contributions made to the liquidity and trading environment on the Exchange by these market participants.

The Exchange also does not believe that any of the proposed changes to the Exchange's tiered pricing structure burden competition, but instead, that they enhance competition as they are intended to increase the competitiveness of the Exchange by easing the criteria necessary to qualify for certain tiers. Also, the Exchange believes that the decrease to these thresholds necessary to meet the respective tiers contributes to, rather than burdens competition, as such changes are intended to incentivize participants to increase their participation on the Exchange.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

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) of the Act[20] and paragraph (f) of Rule 19b–4 thereunder.[21] 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.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposal 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 email to *rule-comments@sec.gov.* Please include File No. SR–BATS–2015–116 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–BATS–2015–116. 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 Web site (*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 Web site 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 such filing will also be available for

[20] 15 U.S.C. 78s(b)(3)(A).

[21] 17 CFR 240.19b–4(f).

inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File No. SR–BATS–2015–116 and should be submitted on or before January 19, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[22]

Brent J. Fields,

Secretary.

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[22] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–76718; File No. SR–NASDAQ–2015–112]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Order Approving a Proposed Rule Change To Amend Rule 4758

December 21, 2105.

I. Introduction

On September 21, 2015, The NASDAQ Stock Market LLC (''NASDAQ'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [1] and Rule 19b–4 thereunder,[2] a proposed rule change to adopt a new routing option, the Retail Order Process (''RTFY''). The proposed rule change was published for comment in the **Federal Register** on October 1, 2015.[3] The Commission received two comment letters on the proposed rule change [4] and a response letter from NASDAQ.[5] On November 3, 2015, the Commission extended the time period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change, to December 30, 2015.[6] NASDAQ subsequently submitted a second response letter.[7] This order approves the proposed rule change.

II. Description of the Proposal

NASDAQ is proposing to amend Rule 4758 to add a new order routing option—RTFY—for Designated Retail Orders (''DROs'').[8] NASDAQ states that retail order firms [9] often send non-marketable order flow to post and display on exchanges. However, some orders that have been deemed to be non-marketable by the entering firm become marketable by the time the exchange receives them.[10] NASDAQ notes that these orders ultimately remove liquidity from the NASDAQ order book even though the firm entering the order did not intend them to remove liquidity.[11]

Under the proposal, a DRO that is marketable upon receipt by NASDAQ and that elects to follow the RTFY routing option will be routed to destinations in the System routing table instead of immediately removing liquidity from the Exchange order book—unless explicitly instructed by the entering party to check the Exchange order book first.[12] RTFY orders may remove liquidity from the Exchange book after routing to other destinations.[13] All non-marketable RTFY orders will post on the Exchange book.[14]

According to NASDAQ, the destinations in the System routing table for RTFY will include OTC market makers,[15] which may also be registered NASDAQ market makers.[16] NASDAQ believes these market makers will likely provide the greatest opportunity for price improvement for the DROs, and the RTFY routing option will benefit DROs by providing additional price improvement opportunities for retail investors.[17] NASDAQ anticipates that the RTFY routing option will route to trading centers in the System routing table that have experience executing and providing price improvement to DROs.[18]

As proposed, an order using the RTFY routing option will be sent to the primary listing exchange for opening, reopening, and closing auctions.[19] Orders received in non-NASDAQ listed securities prior to market open that are not eligible for the pre-market session will be submitted to the primary listing market for inclusion in that market's opening process.[20] Orders received in NASDAQ-listed securities prior to market open that are not eligible for the pre-market session will follow normal pre-market processing.[21] Orders received prior to the market open that are eligible for the pre-market session will be posted—and routed if

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 75987 (September 25, 2015), 80 FR 59210 (''Notice'').

[4] *See* letter from Joseph Saluzzi, Themis Trading LLC to the Commission, dated September 29, 2015 (''Themis Letter''); and letter from Suzanne Shatto to the Commission, dated October 6, 2015 (''Shatto Letter'').

[5] *See* letter from Jonathan F. Cayne, Senior Associate General Counsel, NASDAQ to Brent J. Fields, Secretary, Commission, dated October 22, 2015 (''NASDAQ Response'').

[6] *See* Securities Exchange Act Release No. 76335, 80 FR 69256 (November 9, 2015).

[7] *See* letter from Jonathan F. Cayne, Senior Associate General Counsel, NASDAQ to Brent J. Fields, Secretary, Commission, dated December 11, 2015 (''NASDAQ Supplemental Response'').

[8] A Designated Retail Order is an agency or riskless principal order that meets the criteria of FINRA Rule 5320.03 and that originates from a natural person and is submitted to NASDAQ by a member that designates it pursuant to Rule 7018, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology. An order from a ''natural person'' can include orders on behalf of accounts that are held in a corporate legal form—such as an Individual Retirement Account, Corporation, or a Limited Liability Company—that has been established for the benefit of an individual or group of related family members, provided that the order is submitted by an individual. Members must submit a signed written attestation, in a form prescribed by NASDAQ, that they have implemented policies and procedures that are reasonably designed to ensure that substantially all orders designated by the member as DROs comply with these requirements. Orders may be designated on an order-by-order basis, or by designating all orders on a particular order entry port as DROs. *See* NASDAQ Rule 7018.

[9] The term ''retail order firms'' refers to NASDAQ member firms that provide orders that qualify as Designated Retail Orders under NASDAQ Rule 7018.

[10] *See* Notice, 80 FR at 59210.

[11] *See id.*

[12] *See id.* The term ''System routing table'' refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them. NASDAQ reserves the right to maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. *See* NASDAQ Rule 4758(a)(1)(A).

[13] *See* Notice, 80 FR at 59210.

[14] If a RTFY order is posted on the Exchange, either because it was non-marketable when it was received or it has exhausted all available liquidity within its limit price—including on the Exchange, Regulation NMS protected quotations and other destinations in the System routing table—and the order is subsequently locked or crossed by another market center, the System will not route to the locking or crossing market center. *See id.*

[15] An ''OTC market maker'' in a stock is defined in Rule 600(b)(52) of Regulation NMS as, in general, a dealer that holds itself out as willing to buy and sell the stock, otherwise than on a national securities exchange, in amounts of less than block size (less than 10,000 shares).

[16] *See* Notice, 80 FR at 59210.

[17] *See id.* NASDAQ believes that, because retail orders are generally smaller on average, they are often able to receive better prices than the prevailing national best bid and offer. *See id.* at 59211. NASDAQ believes that this is achieved by retail order firms sending their orders to OTC market makers that provide some level of price improvement. *See id.*

[18] *See id.* NASDAQ believes that approximately 96% of the DROs that will use the RTFY routing option will not be marketable and will add liquidity on the Exchange, while the remainder will be routed to destinations on the System routing table for potential price improvement, including to OTC market makers. *See id.*

[19] *See id.*

[20] *See id.*

[21] *See id.* and NASDAQ Rule 4752.