SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Designation of Longer Period for Commission Action on Proposed Rule Change To Adopt a New Extended Life Priority Order Attribute Under Rule 4703, and To Make Related Changes to Rules 4702, 4752, 4753, 4754, and 4757

January 17, 2017.

On November 17, 2016, 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 Extended Life Priority Order Attribute (as described in more detail below) and to make related changes to Rules 4702, 4752, 4753, 4754, and 4757 (the “Proposed Rule Change”). The Commission has received six comment letters on the proposal.3 The Commission is extending the 45-day period for Commission action on the proposed rule change to 90 days. The proposed rule change is available on the Exchange’s Web site at http://www.nasdaq.com, at the principal office of the Exchange, and at the Commission’s Public Reference Room.4

I. Purpose

The purpose of the proposed rule change is to amend the Exchange’s Schedule of Fees to eliminate, for all symbols other than FX symbols, the $0.20 per contract fee applicable to Professional Customers for the initiating or contra side of Qualified Contingent Cross (“QCC”) orders or orders executed in the Solicitation Mechanism (“Solicitation orders”). The proposed rule change will lower the rebate that the Exchange provides to members acting as agent when Professional Customers trade with Professional Customers and when they trade with Priority Customers for QCC orders.5

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

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4 As used herein, the phrase “other solicited crossing orders” refers to solicited crossing orders executed in the Solicitation, Facilitation, and Price Improvement Mechanisms.

5 A “Professional Customer” is a person or entity that is not a broker/dealer and is not a Priority Customer. See ISE Rule 100(37c).

6 See Letters to Brent J. Fields, Secretary, Commission, from Joseph Saluzzi and Sal Arnuk, Partners, Themis Trading LLC, dated December 19, 2016; Eric Swanson, EVP, General Counsel and Secretary, Bats Global Markets, Inc., dated December 22, 2016; Adam Nunes, Head of Business Development, Hudson River Trading LLC, dated December 22, 2016; Joanna Mallers, Secretary, FIA Principal Traders Group, dated December 23, 2016; Adam C. Cooper, Senior Managing Director and Chief Legal Officer, Citadel Securities, dated December 27, 2016; and Andrew Stevens, General Counsel, IMC Financial Markets, dated December 28, 2016.