

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-100093; File No. SR-NASDAQ-2024-018)

May 9, 2024

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Relating to Connectivity, Surveillance and Risk Management Services

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 29, 2024 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 Exchange filed the proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder.<sup>4</sup> 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 rule amend Equity 7, Sections 70, 115 116, 149 and 161, and to remove Sections 116-A and 149-A of the Exchange’s pricing schedule to retire services and products that have been replaced by enhanced services.

The text of the proposed rule change is set forth below. Proposed new language is underlined; deleted text is in brackets.

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THE NASDAQ STOCK MARKET LLC RULES

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>4</sup> 17 CFR 240.19b-4(f)(6).

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## Equity Rules

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### Equity 7: Pricing Schedule

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### Section 70. Collection of Exchange Fees and Other Claims and Billing Policy

(a) Each Nasdaq member, and all applicants for registration as such, shall be required to provide a clearing account number for an account at the National Securities Clearing Corporation ("NSCC") for purposes of permitting the Exchange to debit any undisputed or final fees, fines, charges and/or other monetary sanctions or other monies due and owing to the Exchange or other charges related to the rules, as specified below, and 8000 series rules which are due and owing to Nasdaq. If a Nasdaq member disputes an invoice, the Exchange will not include the disputed amount in the debit if the member has disputed the amount in writing to the Exchange's designated staff by the 15th of the month, or the following business day if the 15th is not a business day, and the amount in dispute is at least \$10,000 or greater. The 8000 Series Rules and the following Rules will be subject to this Section: Equity 7, Section 10 (Membership Fees), Equity 7, Section 114 (Market Quality Incentive Programs Investor Support Program), Equity 7, Section 115 (Ports and other Services), Equity 7, Section 116 (Nasdaq Post-Trade Risk Management), Equity 7, Section 118 (Nasdaq Market Center Order Execution and Routing), Equity 7, Section 121 (NasdaqTrader.com Trading and Compliance Data Package Fee), Equity 7, Section 124 (Clearly Erroneous Module), Equity 7, Section 127 (Aggregation of Activity of Affiliated Members), Equity 7, Section 129 (Installation, Removal or Relocation), Equity 7, Section 130 (Other Services), General 8, Section 1 (Co-Location Services), Equity 7, Section 138 (Step-Outs and Sales Fees Transfers), Equity 7, Section 141 (Nasdaq Regulation Reconnaissance Service), Equity 7, Section 142 (Non-Tape Riskless Submissions), Equity 7, Section 143 (Inclusion of Transaction Fees in Clearing Reports Submitted to ACT), Equity 7, Section 149 (Nasdaq Real-Time Stats[InterACT]), General 8, Section 2 (Direct Connectivity), Equity 7, Section 155 (Short Sale Monitor), Equity 7, Section 158 (QView), Equity 7, Section 160 (Equity Trade Journal for Clearing Firms) and Equity 7, Section 161 (Limit Locator).

(b) No change.

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### Section 115. Ports and Services†

The charges under this section are assessed by Nasdaq for connectivity to services and the following systems operated by Nasdaq or FINRA: the Nasdaq Market Center, FINRA Trade Reporting and Compliance Engine (TRACE), the FINRA/Nasdaq Trade Reporting Facility, and the FINRA OTC Reporting Facility (ORF). The following fees are not applicable to The Nasdaq Options Market LLC. For related options fees for Ports and other Services refer to Options 7, Section 3 of the Options Rules.

(a) – (c) No change.

(d) Reserved[New Nasdaq Workstation]

[Nasdaq Workstation Trader]	[\$575 per user per month (including: data entitlement package; the Trade Reporting File Upload service, which allows members to upload multiple trade reports in batches to Automated Confirmation Transaction Service ("ACT"); the ACT Reject Scan service, which provides a list of all of a member's rejected ACT trade entries and a copy of each rejected trade report form submitted to ACT; and the IPO Indicator service, which provides information on order execution that would be received in an IPO during the launch process)]
[Nasdaq Workstation Post Trade]	[See Equity 7, Section 115(e)]

(e) Specialized Services Related to FINRA/Nasdaq Trade Reporting Facility

[WebLink ACT or Nasdaq Workstation Post Trade]	[A subscription includes: the Trade Reporting File Upload service, which allows members to upload multiple trade reports in batches to ACT; and the ACT Reject Scan service, which provides a list of all of a member's rejected ACT trade entries and a copy of each rejected trade report form submitted to ACT.]
[ACT Workstation]	[\$625/logon/month]
Nasdaq WorkX	\$625/logon/month [For customers using both Act Workstation and Nasdaq WorkX, fees for Nasdaq WorkX will be waived for the first month of service.]

(f) TradeInfo

[Members not subscribing to the Nasdaq Workstation using TradeInfo will be charged a fee of \$95 per user per month.]

A member firm that has a TradeInfo user subscription may subscribe to the Limit Up/Limit Down Band Lookup [add-on service] for a fee of \$200 per user per month [beginning May 1, 2013]. The Limit Up/Limit Down Band Lookup add-on service provides a subscribing member firm with intraday and historical limit up/limit down price band information for individual securities that are subject to limit up/limit down price bands.

(g) – (j) No change.

† Fees are assessed in full month increments under this section, and thus are not prorated.

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Section 116. [Nasdaq Risk Management

(a) Clearing brokers using the Nasdaq Risk Management Service will be assessed a charge of \$0.030 per side per trade monitored by Nasdaq Risk Management and a charge of \$17.25 per month per correspondent executing broker monitored by Nasdaq Risk Management, up to a maximum charge of \$7,500 per month per correspondent executing broker. Clearing brokers with less than 17,000 trades per month per correspondent executing broker and that fall below 50 total correspondents monitored during the month are assessed a monthly fee of \$500 per correspondent executing broker monitored in lieu of the \$0.030 per side per trade charge.

(b) Users of Nasdaq Pre-trade Risk Management ("PRM") will be assessed a monthly fee based on the following table, and such fees will not exceed \$25,000 per member firm, per month:

Port Tiers	Number of PRM-Enabled Ports	Monthly Fee †
Tier 1	50 or more	\$400 per port, per month
Tier 2	20 to 49	\$500 per port, per month
Tier 3	5 to 19	\$550 per port, per month
Tier 4	1 to 4	\$600 per port, per month

† Fees are assessed in full month increments under this section, and thus are not prorated.

(c) Users of PRM services specified below will be assessed the following charges in addition to the applicable PRM-enabled port charges:

PRM Modules	No charge
Aggregate Total Checks	No charge
PRM Workstation Add-ons to an existing Nasdaq Workstation or WeblinkACT 2.0	\$100 per each PRM Workstation Add-on per month

Section 116-A. ]Nasdaq Post-Trade Risk Management

(a) Clearing brokers using the Nasdaq Post-Trade Risk Management Service will be assessed a charge of \$0.030 per side per trade monitored by Nasdaq Post-Trade Risk Management and a charge of \$17.25 per month per correspondent executing broker monitored by Nasdaq Post-Trade Risk Management, up to a maximum charge of \$7,500 per month per correspondent executing broker. Clearing brokers with less than 17,000 trades per month per correspondent executing broker and that fall below 50 total correspondents monitored during the month are assessed a monthly fee of \$500 per correspondent executing broker monitored in lieu of the

\$0.030 per side per trade charge. [For customers using both Nasdaq Risk Management and Nasdaq Post-Trade Risk Management, fees for Nasdaq Post-Trade Risk Management will be waived for the first month of service.]

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#### Section 149. [Nasdaq InterACT

Nasdaq InterACT is a surveillance tool that provides summaries of a subscribing member's trade activity for the FINRA/Nasdaq Trade Reporting Facility. Such summaries include the total number of trades that have been reported to the Facility, various statistics associated with those trades reported (including: declines, cancels, stepouts, as-ofs, etc), the total number of trades that must be reviewed for acceptance, and the total number of Regulation NMS trade throughs. "FINRA/Nasdaq Trade Reporting Facility" shall mean the FINRA/Nasdaq TRF Carteret and the FINRA/Nasdaq TRF Chicago.

InterACT is available for a subscription fee of \$400 per month, per user, with a maximum fee of \$2,400 per month, per member firm.

#### Section 149-A. ]Nasdaq Real-Time Stats

Nasdaq Real-Time Stats is a surveillance tool that provides summaries of a subscribing member's trade activity for the FINRA/Nasdaq Trade Reporting Facility to support compliance with FINRA rules. Such summaries include the total number of trades that have been reported to the Facility, various statistics associated with those trades reported (including: declines, cancels, stepouts, as-ofs, etc), and the total number of trades that must be reviewed for acceptance. "FINRA/Nasdaq Trade Reporting Facility" shall mean the FINRA/Nasdaq TRF Carteret and the FINRA/Nasdaq TRF Chicago.

Real-Time Stats is available for a subscription fee of \$400 per month, per user, with a maximum fee of \$2,400 per month, per member firm. [For customers using both Nasdaq InterACT and Nasdaq Real-Time Stats, fees for Nasdaq Real-Time Stats will be waived for the first month of service.]

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#### Section 161. Limit Locator

Limit Locator is a tool to assist a member firm in monitoring its trades reported into the FINRA/Nasdaq TRF for compliance with the requirements of the National Market System Plan to Address Extraordinary Market Volatility. The service provides a subscribing member firm with an overview of its trades reported at, or outside of, a designated Limit Up/Limit Down pricing band. The service will provide a total count of the subscribing member firm's trades in each category as well as present this information graphically, on a rolling month basis. A subscribing member firm is able to create custom e-mail[s] alerts to notify users when a trade is reported at, or outside of, a Limit Up/Limit Down pricing band. Limit Locator is accessed

through Nasdaq WorkX[the Nasdaq Workstation or Weblink ACT 2.0]and is offered for a fee of \$750 per month/per MPID [beginning April 8, 2013]. “FINRA/Nasdaq Trade Reporting Facility” shall mean the FINRA/Nasdaq TRF Carteret and the FINRA/Nasdaq TRF Chicago.

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The text of the proposed rule change is available on the Exchange’s Website at <https://listingcenter.nasdaq.com/rulebook/nasdaq/rules>, 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 aspects of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

On April 20, 2021, Nasdaq filed a proposal to re-platform three of its products for trade reporting, surveillance and risk management services – (1) ACT Workstation (“Workstation”)<sup>5</sup>, (2) Nasdaq InterACT (“InterACT”)<sup>6</sup> and (3) Nasdaq Risk Management (“Risk Management”)

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<sup>5</sup> Workstation is a web-based application that electronically facilitates trade reporting and clearing functions for trades reported to the FINRA/Nasdaq TRF. Workstation services include trade entry, trade scan, and uploads for bulk trade entry to support FINRA/Nasdaq TRF participant trade reporting in accordance with Financial Industry Regulatory Authority (“FINRA”) rules.

<sup>6</sup> InterACT is a real-time compliance tool that assists firms with regulatory supervision of trade activity reported to the FINRA/Nasdaq TRF. InterACT summarizes and consolidates data for over-the-counter trade reports to help customers comply with FINRA rules.

(collectively, the “Legacy Products”).<sup>7</sup> These products were renamed (1) Nasdaq WorkX™ (“WorkX”), (2) Nasdaq Real-Time Stats (“Real-Time Stats”) and (3) Nasdaq Post-Trade Risk Management (“Post-Trade Risk Management”), respectively (collectively, the “Enhanced Products.”). At the time of the proposal, Nasdaq stated that once all current participants had migrated to the Re-Platformed products, the Exchange would retire the services and remove the Legacy Products from its fee schedule.<sup>8</sup> The Exchange is proposing to amend Equity 7, Sections 70, 115 116, 149 and 161, and to remove Sections 116-A and 149-A of the Exchange’s pricing schedule to retire services and products that have been replaced by enhanced services.<sup>9</sup>

While Nasdaq provided the option of users to maintain access to, and utilize, both the Legacy and Re-Platformed Products,<sup>10</sup> as of January 2024, all current participants have fully migrated to the Re-Platformed Products and no customers currently use the Legacy Products. Therefore, Nasdaq is proposing to retire the services and remove the Legacy Products from its fee schedule. Additionally, Nasdaq is proposing to clarify that certain services that were previously add-on services to Workstation will be stand-alone services.<sup>11</sup>

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<sup>7</sup> See Securities Exchange Act Release No. 34-91744 (May 3, 2022), 86 FR 24685 (May 7, 2021) (SR–NASDAQ–2021–025) (“Initial Filing”).

<sup>8</sup> Id. at 24686 n. 7, 24687.

<sup>9</sup> There will be no changes to the fees as a result of the retirement of the retired services.

<sup>10</sup> See Initial Filing at 24687; Securities Exchange Act Release No. 34-98582 (September 28, 2023), 88 FR 68760, 68761 (Oct. 4, 2023) (SR–NASDAQ–2023–038).

<sup>11</sup> TradeInfo (Section 115(f)) and IPO Indicator (Section 115(i)) will continue to be available as stand-alone services. IPO Locator (Section 161) was previously an add-on and a stand-alone service but will only be a stand-alone service accessed through WorkX going forward.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>12</sup> in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,<sup>13</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The proposal is also 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 remove the discontinued Legacy Products from the Exchange's rulebook and to inform the SEC and market participants of that change. The Exchange believes that the proposal to retire the Legacy Products is reasonable and not unfairly discriminatory because the Re-Platformed Products provide similar but enhanced features and have replaced the Legacy Products. Moreover, no participants currently utilize the Legacy Products and have all transitioned to the Re-Platformed Products and no participant will be disrupted by the proposed change. For the same reason, the Exchange believes that the proposed changes remove impediments to and perfect the mechanism of a free and open market and a national market system, constitute an equitable allocation of fees, and protect investors and the public interest because under the proposed rule, the Exchange's rulebook would eliminate certain products that are no longer being offered to customers and the fees for the Re-Platformed Products would continue to remain the same. Additionally, from time to time, the Exchange

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<sup>12</sup> 15 U.S.C. 78f(b).

<sup>13</sup> 15 U.S.C. 78f(b)(4) and (5).



reviews its rulebook to ensure that its fees are accurate and align with its current operation to protect investors and the public interest.

The Exchange believes that the proposal is not unfairly discriminatory. All member firms have been notified of the retirement of the Legacy Products and have had an opportunity to access the Enhance Products. Any firm that was not satisfied with the Enhanced Products was given over a year to find an alternate service offered by a third party. Moreover, the fees for the Enhanced Products continue to remain the same for all member firms.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. As explained above, the purpose of this proposal is to remove the discontinued Legacy Products from the Exchange's rulebook and to inform the SEC and market participants of that change. The Enhanced Products will continue to be available to all market participants and the fees will remain the same as the Legacy Products.

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

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not:

- A. significantly affect the protection of investors or the public interest;
- B. impose any significant burden on competition; and
- C. 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<sup>14</sup> and Rule 19b-4(f)(6)<sup>15</sup> thereunder.<sup>16</sup> 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 will 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](mailto:rule-comments@sec.gov). Please include file number SR-NASDAQ-2024-018 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.

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<sup>14</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>15</sup> 17 CFR 240.19b-4(f)(6).

<sup>16</sup> 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.

All submissions should refer to file number SR-NASDAQ-2024-018. 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 a.m. and 3 p.m. Copies of the filing also 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-2024-018 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.<sup>17</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>17</sup> 17 CFR 200.30-3(a)(12).