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SECURITIES AND EXCHANGE COMMISSION
[Release No. 34-72967; File No. SR-NASDAQ-2014-082]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Common Ownership
September 3, 2014.

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 August 20, 2014 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 NASDAQ. 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

NASDAQ proposes to modify Chapter XV, entitled "Options Pricing," governing pricing for NASDAQ members using the NASDAQ Options Market ("NOM"), NASDAQ's facility for executing and routing standardized equity and index options. Specifically, NOM proposes to harmonize the process by which it collects information from its equity members and Options Participants for aggregating the activity of affiliated entities for the purposes of assessing charges or credits.

The Exchange requests that this filing become operative on December 1, 2014.

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

2 17 CFR 240.19b-4.

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

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Chapter XV Options Pricing

NASDAQ Options Market Participants may be subject to the Charges for Membership, Services and Equipment in the Rule 7000 Series as well as the fees in this Chapter XV. For purposes of assessing fees and paying rebates, the following references should serve as guidance.

The term **"Customer"** or ("C") applies to any transaction that is identified by a Participant for clearing in the Customer range at The Options Clearing Corporation ("OCC") which is not for the account of broker or dealer or for the account of a "Professional" (as that term is defined in Chapter I, Section 1(a)(48)).

The term **"NOM Market Maker"** or ("M") is a Participant that has registered as a Market Maker on NOM pursuant to Chapter VII, Section 2, and must also remain in good standing pursuant to Chapter VII, Section 4. In order to receive NOM Market Maker pricing in all securities, the Participant must be registered as a NOM Market Maker in at least one security.

The term **"Non-NOM Market Maker"** or ("O") is a registered market maker on another options exchange that is not a NOM Market Maker. A Non-NOM Market Maker must append the proper Non-NOM Market Maker designation to orders routed to NOM.

The term **"Firm"** or ("F") applies to any transaction that is identified by a Participant for clearing in the Firm range at OCC.

The term **"Professional"** or ("P") means any person or entity that (i) is not a broker or dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s) pursuant to Chapter I, Section 1(a)(48). All Professional orders shall be appropriately marked by Participants.

The term **"Broker-Dealer"** or ("B") applies to any transaction which is not subject to any of the other transaction fees applicable within a particular category.

The term **"Common Ownership"** shall mean Participants under 75% common ownership or control.

(a) For purposes of applying any options transaction fee or rebate where the fee assessed, or rebate provided by NOM depends upon the volume of an Options Participant's activity, an Options Participant may request that NOM aggregate its activity with the activity of its affiliates.

(1) An Options Participant requesting aggregation of affiliate activity shall be required to certify to NOM the affiliate status of entities whose activity it seeks to aggregate prior to receiving approval for aggregation, and shall be required to inform NOM immediately of any event that causes an entity to cease to be an affiliate. NOM shall review available information regarding the entities, and reserves the right to request additional information to verify the affiliate status of an entity. NOM shall approve a request unless it determines that the certification is not accurate.

(2) If two or more Options Participants become affiliated on or prior to the sixteenth day of a month, and submit the required request for aggregation on or prior to the twenty-second day of the month, an approval of the request by NOM shall be deemed to be effective as of the first day of that month. If two or more Options Participants become affiliated after the sixteenth day of a month, or submit a request for aggregation after the twenty-second day of the month, an approval of the request by NOM shall be deemed to be effective as of the first day of the next calendar month.

(b) For purposes of applying any options transaction fee or rebate where the fee assessed, or rebate provided, by NOM depends upon the volume of an Options Participant's activity, references to an entity (including references to a "Options Participant") shall be deemed to include the entity and its affiliates that have been approved for aggregation.

(c) For purposes of options pricing, the term "affiliate" of an Options Participant shall mean any Options Participant under 75% common ownership or control of that Options Participant.

With respect to Chapter XV, Sections 2(1) and (2) the order that is received by the trading system first in time shall be considered an order adding liquidity and an order that trades against that order shall be considered an order removing liquidity.

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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

The Exchange is proposing to amend NOM Rules at Chapter XV, entitled "Options Pricing," to harmonize the process by which the Exchange will collect information from Options Participants that desire their activity to be aggregated for the purposes of assessing charges or credits with the process currently required for equity members on Nasdaq. The Exchange proposes to adopt the process that is used by equity members today without changing that process. The Exchange believes that this filing is non-controversial because the process, as proposed, will not change. Today, equity and Options Participants may aggregate affiliate activity based on volume of activity for purposes of pricing.[3] The Exchange believes that having the same process for equity members and Options Participants will provide consistency to its processes when aggregating pricing.

Today, a Nasdaq member requesting aggregation of affiliate activity is be

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[3] See NASDAQ Rule 7027(a) and NOM Chapter XV.

required to certify to Nasdaq the affiliate status of entities whose activity it seeks to aggregate prior to receiving approval for aggregation, and also is required to inform Nasdaq immediately of any event that causes an entity to cease to be an affiliate. Nasdaq reviews available information regarding the entities, and reserves the right to request additional information to verify the affiliate status of an entity. Nasdaq approves a request unless it determines that the certification is not accurate. Further, if two or more members become affiliated on or prior to the sixteenth day of a month, and submit the required request for aggregation on or prior to the twenty-second day of the month, an approval of the request by Nasdaq is deemed to be effective as of the first day of that month. If two or more members become affiliated after the sixteenth day of a month, or submit a request for aggregation after the twenty-second day of the month, an approval of the request by Nasdaq is deemed to be effective as of the first day of the next calendar month.

The Exchange proposes to amend NOM Rules at Chapter XV to make this language consistent with the requirements that would be applied to NOM Options Participants.

The Exchange believes that harmonizing the process for collecting this information will avoid confusion and simplify information requested of equity members and Options Participants by requesting consistent information.

The Exchange proposes to apply this pricing as of December 1, 2014 and issue an Options Trader Alert to its members.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act[4] in general, and furthers the objectives of Section 6(b)(5) of the Act[5] in particular, 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, in that the proposal will harmonize the process by which the Exchange collects information from equity members and Options Participants regarding the aggregation of activity of affiliated entities for the purposes of assessing charges or credits.

The Exchange believes that harmonizing this process by which the Exchange collects information related to aggregation for equity members and Options Participants will provide consistency to market participants with respect to meeting the requirements to aggregate on Nasdaq and NOM. Also, the Exchange believes that adopting this method for collecting such information on aggregated pricing, with respect to Options Participants, will ensure proper validation for firms entitled to the aggregation.

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

Nasdaq 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. The Exchange is merely seeking to harmonize the manner in which it collects information related to the aggregation of activity of affiliated entities for the purposes of assessing charges or credits for equity members and Options Participants. The Exchange intends to

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4 15 U.S.C. 78f(b).

5 15 U.S.C. 78f(b)(5).

apply a uniform process to request such aggregation for all NASDAQ members NOM Options Participants.

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)(ii) of the Act[6] and subparagraph (f)(6) of Rule 19b-4 thereunder.[7]

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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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 should be approved or disapproved. The Exchange has provided 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.

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6 15 U.S.C. 78s(b)(3)(a)(ii).

7 17 CFR 240.19b-4(f)(6).

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-2014-082 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-2014-082. 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; 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 Number SR-NASDAQ-2014-082 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.[8]

Kevin M. O' Neill,
Deputy Secretary.

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[8] 17 CFR 200.30-3(a)(12).