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SECURITIES AND EXCHANGE COMMISSION
[Release No. 34-88383; File No. SR-NASDAQ-2020-012]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Rule 4121 (Trading Halts Due to Extraordinary Market Volatility)

March 13, 2020

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 March 12, 2020, 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 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 amend Rule 4121 (Trading Halts Due to Extraordinary Market Volatility) to enhance the re-opening auction process for Nasdaq listed securities following trading halts due to extraordinary market volatility.

The text of the proposed rule change is available on the Exchange’s Website at <http://nasdaq.cchwallstreet.com>, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 purpose of the proposed rule change is to amend the re-opening auction process for Nasdaq listed securities following trading halts due to extraordinary market volatility (i.e., “market-wide circuit breakers”) to be similar to the process currently employed following a Trading Pause initiated pursuant to the Plan to Address Extraordinary Market Volatility (i.e., the “Limit Up-Limit Down” or “LULD” Plan).³ In 2017, the Exchange amended its auction process for re-opening a Nasdaq listed security following a Trading Pause initiated pursuant to the LULD Plan.⁴ Specifically, the Exchange modified its rules such that initial Auction Collars following a Trading Pause would be calculated using a new methodology based on the Price Band that triggered the Trading Pause, and instituted the process for extending the auction and further widening the collars if necessary to accommodate buy or sell pressure outside of the collars then in effect. The Exchange believes that these changes have been effective in facilitating a fair and

³ The Exchange notes that it is working on a separate proposal to amend its reopening process following a Level 1 or Level 2 market-wide circuit breaker halt, and is filing this rule change as an interim step.

⁴ See Securities Exchange Act Release No. 79876 (January 25, 2017), 82 FR 8888 (January 31, 2017) (SR-NASDAQ-2016-131).

orderly market following Trading Pauses initiated pursuant to the Limit Up-Limit Down Plan, and has decided to implement similar functionality for trading halts in Nasdaq listed securities following the initiation of market-wide circuit breakers.⁵ The Exchange believes that the proposed changes would promote price formation and provide a more consistent re-opening process for members and investors following such trading halts, similar to the current implementation on NYSE Arca, Inc. (“Arca”) and Cboe BZX Exchange, Inc. (“BZX”).⁶

Today, trading in Nasdaq listed securities would resume on the Exchange in most cases through a Halt Cross,⁷ including after a Level 1 or Level 2 market-wide circuit breaker trading halt initiated under Rule 4121. In particular, Rule 4121(c)(i) provides that the re-opening of trading following a Level 1 or Level 2 trading halt shall follow the procedures set forth in Rule 4120. These procedures are in Rule 4120(c)(7), which provides, in relevant part, for a 5-minute Display Only Period during which market participants may enter quotes and orders in Nasdaq systems, at the conclusion of which trading will immediately resume through the Halt Cross under Rule 4753.⁸ Additionally, the Exchange will extend the Display Only Period for an

⁵ A market-wide circuit breaker is triggered if the price of the S&P 500 Index declines by a specified amount compared to the closing price for the immediately preceding trading day. See Rule 4121.

⁶ Both Arca and BZX implemented similar processes for resuming trading following non-LULD regulatory halts (which include trading halts following market-wide circuit breakers). See Securities Exchange Act Release Nos. 79846 (January 19, 2017), 82 FR 8548 (January 26, 2017) (SR-NYSEArca-2016-130); and 84927 (December 21, 2018), 83 FR 67768 (December 31, 2018) (SR-CboeBZX-2018-090) (“BZX Proposal”).

⁷ The Halt Cross process is set forth in Rule 4753. As discussed in more detail later in this filing, the Halt Cross does not apply to the re-opening of a Nasdaq listed security following a Trading Pause initiated under the LULD Plan, which instead re-opens pursuant to Rule 4120(c)(10).

⁸ The Exchange would then re-open the Nasdaq listed security that was subject to the Level 1 or Level 2 market-wide circuit breaker trading halt at an execution price determined

additional 1-minute period if there is volatility during the Display Only Period (i.e., an order imbalance in the security). The volatility checks are governed under Rule 4120(c)(7)(C)(1) and (2), and provides that the Display Only Period will be extended if: (i) the expected cross price moves the greater of 5% or 50 cents, or (ii) all market orders will not be executed in the cross. The Exchange now proposes to amend this process such that for the resumption of trading after a Level 1 or Level 2 market-wide circuit breaker trading halt, the Exchange proposes to instead follow a process similar to that currently applied for releasing a security following a Trading Pause initiated under the LULD Plan, which is described in Rule 4120(c)(10).

Rule 4120(c)(10), which describes the current process for resuming trading after a Trading Pause, provides for an initial auction period and additional auction periods with widening price collars should the security fail to conclude each auction period. For any such security listed on Nasdaq, prior to terminating the pause, there is a 5-minute initial Display Only Period during which market participants may enter quotations and orders in that security in Nasdaq systems. During this initial period, the Exchange also establishes the auction reference price (hereinafter “LULD Auction Reference Price”),⁹ as well as the upper and lower auction collar (hereinafter, “LULD Auction Collar”) prices.¹⁰ The security is released at the end of the initial Display Only Period unless the Exchange detects an order imbalance¹¹ in the security, in

pursuant to the execution algorithm in Rule 4753(b)(2)(A) – (D), which sets forth a series of tie-breakers for selecting the execution price of the Halt Cross.

⁹ See Rule 4120(c)(10)(A)(i).

¹⁰ See Rule 4120(c)(10)(A)(ii). In contrast, price collars would not be established for re-opening a Nasdaq listed security after a Level 1 or Level 2 market-wide circuit breaker trading halt today. As noted above, the Exchange would instead re-open at an execution price determined pursuant to the execution algorithm in Rule 4753(b)(2)(A) – (D). See supra note 8.

¹¹ For purposes of Rule 4120(c)(10), an order imbalance is established if: (i) the calculated price at which the security would be released for trading is outside the applicable Auction

which case the initial Display Only Period is extended for an additional five minutes, and the LULD Auction Collar prices are further widened by 5% increments (or \$0.15 for securities with a LULD Auction Reference Price of \$3 or less) in the direction of the order imbalance.¹² At the end of the first extended Display Only Period, the security is released for trading unless there is an order imbalance in the security, in which case the extended Display Only Period will be further extended every five minutes in the manner described in Rule 4120(c)(10)(B) until the security is released for trading. The security is released for trading at the first point there is no order imbalance.

Proposal

The Exchange now proposes to implement this process for resuming trading following a market-wide circuit breaker under Rule 4121 as well. As noted above, the current re-opening process for a Level 1 or Level 2 trading halt initiated under Rule 4121 does not have a mechanism for calculating price collars and a process for widening the collars if necessary to accommodate buy or sell pressure outside of the collars then in effect. The Exchange therefore believes that its proposal will facilitate a fair and orderly market following such trading halts initiated pursuant to a Level 1 or Level 2 market-wide circuit breaker that is designed to reduce the potential for significant price disparity in post-auction trading. The proposed process for re-opening a Nasdaq listed security under Rule 4121 would be substantially similar to the re-opening process employed today for Trading Pauses under Rule 4120(c)(10), with certain differences discussed below, primarily related to the calculation of the halt auction collars.

Collar prices calculated under paragraphs (A), (B), or (C) of Rule 4120(c)(10); or (ii) all market orders would not be executed in the cross. See Rule 4120(c)(10)(E).

¹² See Rule 4120(c)(10)(B).

Accordingly, the Exchange will provide in new paragraph (d) to Rule 4121 that a Level 1 or Level 2 trading halt initiated under this Rule (“MWCB Halt”) shall be terminated when Nasdaq releases the security for trading.¹³ For any such security listed on Nasdaq, prior to terminating the MWCB Halt, there will be a 15-minute “Initial Display Only Period” during which market participants may enter quotations and orders in that security in Nasdaq systems. The Initial Display Only Period will be 15 minutes in duration instead of the 5 minute initial display only period currently employed for Trading Pauses under Rule 4120(c)(10) to coincide with the entire duration of a MWCB Halt.¹⁴ As discussed below, the Exchange also proposes to begin publishing MWCB halt information at the start of the Initial Display Only Period, which would include the MWCB auction reference prices and auction collars. The Exchange believes that the proposed Initial Display Only Period, together with the dissemination of MWCB halt information at the beginning of the Initial Display Only Period, would provide additional time to attract offsetting interest, and would help address order imbalances that may not be resolved within the current 5-minute period.¹⁵

Proposed Rule 4121(d)(1)(A) will provide that during the Initial Display Only Period, the Exchange will also establish the “Auction Reference Price.” The Auction Reference Price shall mean the Nasdaq last sale price (either round or odd lot) after 9:15 a.m. Eastern Time (“ET”) but

¹³ Rule 4121(c)(i) currently points to Rule 4120 for the re-opening process following a MWCB Halt. The new re-opening process will be set forth in proposed Rule 4121(d), so the Exchange proposes to update the reference in Rule 4120(c)(i) accordingly. The Exchange will also renumber current Rule 4121(d) to 4121(f) in light of the changes proposed herein.

¹⁴ See Rule 4121(b).

¹⁵ This is similar to the current implementation on Arca, which begins disseminating Trading Halt Auction Imbalance Information immediately after trading in an Arca-listed security is halted, and accepts orders during the relevant Auction Processing Period. See Arca Rule 7.35-E(e)(1) and (g).

prior to the MWCB Halt and, if none, the prior trading day's Nasdaq Official Closing Price ("NOCP"). The Exchange is not proposing to use the LULD Auction Reference Price, which is based on the Price Band that triggered the Trading Pause, as the Exchange believes that a different reference is necessary for a re-opening process that is unrelated to the LULD mechanism. The Exchange has chosen to use the last Nasdaq sale price prior to the MWCB Halt (or if none, the prior trading day's NOCP) in this circumstance as this price is reflective of the current market for the halted security. The Exchange's proposal is similar to the current implementation on Arca and BZX.¹⁶

Proposed Rule 4121(d)(1)(B) will describe how the Exchange would calculate the upper and lower "MWCB Auction Collar" prices during the Initial Display Period. Specifically, the initial upper and lower collar prices would be determined as follows:

- The lower MWCB Auction Collar is derived by subtracting 5% of the Auction

Reference Price, rounded to the nearest minimum price increment,¹⁷ or in the case of

¹⁶ Neither Arca nor BZX use the LULD auction reference price in the context of their respective MWCB auctions. Arca's auction reference prices for trading halt auctions other than auctions following a Trading Pause are based on the last consolidated round-lot price of that trading day and, if none, the prior trading day's official closing price. See Arca Rule 7.35-E(a)(8)(A) and (e)(7)(A). BZX uses the price of the Final Last Sale Eligible Trade or "FLSET" as the auction reference price for BZX-listed securities in auctions conducted after non-LULD Regulatory Halts, which price is based on the price of a trade on the primary listing exchange (i.e., BZX). See BZX Rule 11.23(a)(9) and (d)(2)(C)(i). See also BZX Proposal, footnote 14 (defining FLSET for halt auctions as the last trade occurring during Regular Trading Hours on the Exchange if the trade was executed within one second prior to trading in the security being halted). The Exchange's proposed Auction Reference Price for MWCB Halts is equivalent to BZX's reference price in substance, except that the Exchange will use the last Nasdaq sale price prior to the MWCB Halt. Similar to BZX, the Exchange believes that it is appropriate to use the price of a trade on the primary listing market, i.e., Nasdaq, to set the reference price for auctions in Nasdaq listed securities when such a trade has been executed recently.

¹⁷ The term "minimum price increment" means \$0.01 in the case of a System Security priced at \$1 or more per share, and \$0.0001 in the case of a System Security priced at less

securities with an Auction Reference Price of \$3 or less, \$0.15, from the Auction Reference Price.

- The upper MWCB Auction Collar is derived by adding 5% of the Auction Reference Price, rounded to the nearest minimum price increment, or in the case of securities with an Auction Reference Price of \$3 or less, \$0.15, to the Auction Reference Price.

In contrast, the initial price collar thresholds currently used for the LULD mechanism are applied only in the direction of the trading that invoked the Trading Pause.¹⁸ In this case, because there would not be a security-specific pricing direction reason for the MWCB Halt, the Exchange believes that it is appropriate to apply the initial thresholds on both sides of the Auction Reference Price. For example, if the Nasdaq last sale price (either round or odd lot) after 9:15 a.m. ET but prior to the MWCB Halt for a security is \$100.00, then the lower and upper initial MWCB Auction Collar prices would be \$95 and \$105 – i.e., 5% below and above the Nasdaq last sale price. This mirrors the application of the initial halt auction collars on both Arca and BZX today.¹⁹

Proposed Rules 4121(d)(2) and (d)(3) will specify the circumstances when the Exchange would extend the Display Only Period for a MWCB Halt re-opening process, and how the Exchange would adjust the MWCB Auction Collars for each extension. The proposed process for initiating extensions will follow the process currently used for extending Trading Pauses

than \$1 per share. See Rule 4107(k). Thus, for example, if adding 10% of the Auction Reference Price to the MWCB Auction Collar would result in a tenth of a penny, the Exchange would round down to the nearest penny when the calculation results in one to four tenths of a penny, and the Exchange would round up to the nearest penny when the calculation results in five to nine tenths of a penny.

¹⁸ See Rule 4120(c)(10)(A)(ii).

¹⁹ See Arca Rule 7.35-E(e)(7)(B)(ii) and BZX Rule 11.23(d)(2)(C)(i)(B).

under LULD²⁰ as well as the MWCB extension processes on Arca and BZX.²¹ In particular, at the conclusion of the Initial Display Only Period, the security will be released for trading unless, at the end of the Initial Display Only Period, Nasdaq detects an order imbalance in the security.²² In that case, Nasdaq will extend the Display Only Period for an additional 5-minute period (“Extended Display Only Period”), and the MWCB Auction Collar prices will be adjusted as follows:

- If the Display Only Period is extended because the calculated price at which the security would be released for trading is below the lower MWCB Auction Collar price or all sell market orders would not be executed in the cross, then the new lower MWCB Auction Collar price is derived by subtracting 5% of the Auction Reference Price, which was rounded to the nearest minimum price increment, or in the case of securities with an Auction Reference Price of \$3 or less, \$0.15, from the previous lower MWCB Auction Collar price, and the upper MWCB Auction Collar price will not be changed.
- If the Display Only Period is extended because the calculated price at which the security would be released for trading is above the upper MWCB Auction Collar price or all buy market orders would not be executed in the cross, then the new upper MWCB Auction Collar price is derived by adding 5% of the Auction Reference Price, which was rounded to the nearest minimum price increment, or in the case of securities with an Auction Reference Price of \$3 or less, \$0.15, to the previous upper

²⁰ See Rule 4120(c)(10)(B) - (C).

²¹ See Arca Rule 7.35-E(e)(7)(C) and BZX Rule 11.23(d)(2)(C)(ii).

²² As discussed below, an order imbalance under the proposed re-opening process for MWCB Halts will be established in the same manner as an order imbalance under the current LULD re-opening process as set forth in Rule 4120(c)(10)(E).

MWCB Auction Collar price, and the lower MWCB Auction Collar price will not be changed.

At the conclusion of the Extended Display Only Period, the security will be released for trading unless, at the end of the Extended Display Only Period, Nasdaq detects an order imbalance in the security. In that case, Nasdaq will further extend the Display Only Period, continuing to adjust the MWCB Auction Collar prices every five minutes in the manner described in Rule 4121(d)(2) until the security is released for trading. During any additional Extended Display Only Period after the first Extended Display Only Period, Nasdaq shall release the security for trading at the first point there is no order imbalance.

Proposed Rule 4121(d)(4) will specify that an order imbalance would be established for purposes of the process under Rule 4121 as follows:²³

- the calculated price at which the security would be released for trading is above (below) the upper (lower) MWCB Auction Collar price calculated under paragraphs (1), (2), or (3) of Rule 4121(d); or
- all market orders would not be executed in the cross.

Proposed Rule 4121(d)(5) will describe how the MWCB Auction Collars will function in the event of more than one trading halt initiated under Rule 4121 in the same day. In the event of a Level 2 Market Decline while a security is in a Level 1 MWCB Halt and has not been released for trading, Nasdaq will recalculate the lower and upper MWCB Auction Collar prices in the particular security in accordance with paragraph (1)(B) of Rule 4121.²⁴ In this instance,

²³ This is the same manner in which an order imbalance is established under the current re-opening process for Trading Pauses. See Rule 4120(c)(10)(E).

²⁴ As currently provided in Rule 4121(b)(i), the Exchange would halt trading based on a Level 1 or Level 2 Market Decline only once per day. Thus for example, if a Level 1 Market Decline were to occur and trading were halted, following the re-opening of

the Exchange will start the calculation of the new upper and lower MWCB Auction Collar prices using 5% of the Auction Reference Price, rounded to the nearest minimum price increment, or \$0.15 for securities with an Auction Reference Price of \$3 or less. The Exchange believes that the proposed language would bring greater transparency to market participants in how the Exchange would handle the calculation of MWCB Auction Collars.

The Exchange also proposes to add new paragraph (e) to Rule 4121 to describe how the Exchange will handle the publication of MWCB Halt Information. Specifically, at the beginning of the Initial Display Only Period and continuing through the resumption of trading, Nasdaq will disseminate by electronic means an Order Imbalance Indicator²⁵ every second. The Exchange also proposes to make a related change by adding new Rule 4753(a)(3)(G), which will provide that for purposes of a MWCB Halt initiated pursuant to Rule 4121, the Order Imbalance Indicator will include Auction Reference Prices and MWCB Auction Collars, as defined in Rule 4121(d).

The Exchange plans to implement the proposed changes during April 2020, and will provide prior notice in an Equity Trader Alert.

trading, the Exchange would not halt the market again unless a Level 2 Market Decline were to occur.

²⁵ As described in Rule 4753(a)(3), an “Order Imbalance Indicator” is a message disseminated by electronic means containing information about Eligible Interest and the price at which such interest would execute at the time of dissemination.

“Eligible Interest” is defined as any quotation or any order that has been entered into the system and designated with a time-in-force that would allow the order to be in force at the time of the Halt Cross. See Rule 4753(a)(5).

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,²⁶ in general, and furthers the objectives of Section 6(b)(5) of the Act,²⁷ 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 Exchange believes that the proposed rule change is consistent with the Act because it would amend the halt auction process following a MWCB Halt to be more closely aligned with the process currently implemented for halt auctions following a Trading Pause under the LULD Plan. The Exchange amended its re-opening process following a Trading Pause to better account for buy or sell pressure by changing the manner in which initial LULD Auction Collars are established, and widening the collars as appropriate to accommodate trading interest submitted to participate in the auction. The Exchange believes that these changes have been generally successful in facilitating a fair and orderly process for re-opening securities following a Trading Pause. The Exchange has therefore decided to use a similar process for halt auctions following a MWCB Halt. The Exchange believes that its proposal would benefit investors by facilitating price discovery and promoting more consistency in how the Exchange conducts the re-opening process following a Trading Pause or a MWCB Halt.

While the proposed re-opening process following MWCB Halts would largely follow the re-opening process in place today for Trading Pauses, there would be several notable differences. These differences are primarily designed to ensure that suitable MWCB Auction Collars are utilized for the re-opening process following MWCB Halts. For instance, while an Auction

²⁶ 15 U.S.C. 78f(b).

²⁷ 15 U.S.C. 78f(b)(5).

Reference Price based on the Price Band that triggered the Trading Pause continues to be appropriate in the context of the re-opening process following Trading Pauses, the Exchange believes that a different reference is necessary for the re-opening process for MWCB Halts. The Exchange has chosen to use the Nasdaq last sale price and, if none, the prior trading day's NOCP as the MWCB Auction Reference Price in these circumstances as this price is reflective of the current market for the halted security. Similarly, the Exchange believes that it is appropriate to calculate both upper and lower MWCB Auction Collars that are a specified percentage or dollar amount from this reference price because MWCB Halts do not involve security specific buy or sell pressure. These differences are similar to the application of MWCB halt auction collars on Arca and BZX today,²⁸ and would therefore provide both a fair and more consistent experience for members and investors trading Nasdaq listed securities.

Otherwise, the proposed re-opening process for MWCB Halts is consistent with the current LULD re-opening process. Similar to the current LULD re-opening process, the Exchange also believes that the proposed process is consistent with the protection of investors and the public interest because they are designed to facilitate price discovery by ensuring that all market order interest could be satisfied in the auction process following MWCB Halts. Furthermore, the Exchange believes that the standardized procedures to extend MWCB Halt auctions an additional five minutes are appropriate because this would provide additional time to attract offsetting liquidity. If at the end of such extension, market orders still cannot be satisfied within the applicable collars, or if the re-opening price would be outside of the applicable collars, the Exchange would extend the halt auction process an additional five

²⁸ See supra note 6. Similar to BZX's use of FLSET for its auction reference price for BZX-listed securities, the Exchange also believes that it is appropriate to use the Nasdaq last sale price as the reference price for Nasdaq listed securities. See supra note 16.

minutes. The Exchange believes that extending the auction in these circumstances would protect investors and the public interest by reducing the potential for significant price disparity in post-auction trading. With each such extension, the Exchange believes that it is appropriate to widen the price collar threshold on the side of the market on which there is buying or selling pressure as market conditions may prevent an order imbalance from being resolved within the prior auction collars.

The Exchange also believes it is appropriate to add language clarifying how the MWCB Auction Collars will function in the event of more than one trading halt initiated under Rule 4121 in the same day. The proposed changes would increase transparency in how the Exchange would handle the calculation of MWCB Auction Collars, and is therefore consistent with the public interest and the protection of investors. The Exchange likewise believes that specifying how it will handle the publication of MWCB Halt information will bring greater transparency around the operation of the Exchange's auction process.

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. The proposed rule change is designed to provide for a measured and transparent process for re-opening Nasdaq listed securities after a MWCB Halt that is similar to the current re-opening process following a Trading Pause initiated under the LULD Plan and the process already implemented on Arca and BZX for non-LULD regulatory halts.²⁹

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.

²⁹ See supra note 6.

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)(iii) of the Act³⁰ and subparagraph (f)(6) of Rule 19b-4 thereunder.³¹

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act,³² normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)³³ permits the Commission to designate a shorter time if such action is consistent with the protection of investor and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and public interest because the proposed rule change is designed to establish price protections for MWCB Level 1 and Level 2 re-openings that are substantially similar to the price protections in the context of LULD, as well as on other equities exchanges like Arca and BXZ. Accordingly, the Commission hereby waives the operative delay and

³⁰ 15 U.S.C. 78s(b)(3)(A)(iii).

³¹ 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.

³² 17 CFR 240.19b-4(f)(6).

³³ 17 CFR 240.19b-4(f)(6)(iii).

designates the proposal operative upon filing.³⁴

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 shall institute proceedings to determine whether the proposed rule 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-2020-012 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-2020-012. This file number should be included on the subject line if e-mail is used. To help the Commission process and

³⁴ 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).

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 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-2020-012 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.³⁵

J. Matthew DeLesDernier
Assistant Secretary

³⁵ 17 CFR 200.30-3(a)(12).

