and Exchange Commission, 100 F Street NE., Washington, DC 20549–1090. All submissions should refer to File Number SR–NYSEArca–2015–113. 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 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–NYSEArca–2015–113 and should be submitted on or before January 11, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[20]

Robert W. Errett,

Deputy Secretary.

[FR Doc. 2015–31933 Filed 12–18–15; 8:45 am]

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[20] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–76647; File No. SR–NASDAQ–2015–148]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend NASDAQ Options Market—Fees and Rebates

December 15, 2015.

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 December 1, 2015, 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 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 the Exchange's transaction fees at Chapter XV, Section 2 entitled ''NASDAQ Options Market—Fees and Rebates,'' which governs pricing for Nasdaq members using the NASDAQ Options Market (''NOM''), Nasdaq's facility for executing and routing standardized equity and index options.

The text of the proposed rule change is available on the Exchange's Web site at *http://nasdaq.cchwallstreet.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 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 proposes various changes to the NOM transaction fees and rebates set forth at Chapter XV, Section 2 for executing and routing standardized equity and index options under the Non-Penny Pilot Options program, as well as other changes.

The proposed changes are as follows:

Fees for Removing Liquidity in Non-Penny Pilot Options: The Exchange proposes to:

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

[2] 17 CFR 240.19b–4.

1. Increase fees from $0.94 to $1.10 per contract for all Participant categories other than Customer, which remains at $0.85 per contract.

2. Offer Participants that send Professional, Firm, Non-NOM Market Maker, NOM Market Maker and/or Broker-Dealer order flow an opportunity to lower the Fees for Removing Liquidity in Non-Penny Pilot Options from $1.10 to $1.03 per contract provided they qualify for Customer or Professional Penny Pilot[3] Options Rebates to Add Liquidity Tiers 7 or 8.

3. Offer Participants that send NOM Market Maker order flow an opportunity to lower the Fee for Removing Liquidity in Non-Penny Pilot Options from $1.10 to $1.08 per contract provided they qualify for Customer or Professional Penny Pilot Options Rebate to Add Liquidity Tiers 2, 3, 4, 5 or 6.

[3] The Penny Pilot was established in March 2008 and has since been expanded and extended through June 30, 2016. *See* Securities Exchange Act Release Nos. 57579 (March 28, 2008), 73 FR 18587 (April 4, 2008) (SR–NASDAQ–2008–026) (notice of filing and immediate effectiveness establishing Penny Pilot); 60874 (October 23, 2009), 74 FR 56682 (November 2, 2009)(SR–NASDAQ–2009–091) (notice of filing and immediate effectiveness expanding and extending Penny Pilot); 60965 (November 9, 2009), 74 FR 59292 (November 17, 2009)(SR–NASDAQ–2009–097) (notice of filing and immediate effectiveness adding seventy-five classes to Penny Pilot); 61455 (February 1, 2010), 75 FR 6239 (February 8, 2010) (SR–NASDAQ–2010–013) (notice of filing and immediate effectiveness adding seventy-five classes to Penny Pilot); 62029 (May 4, 2010), 75 FR 25895 (May 10, 2010) (SR–NASDAQ–2010–053) (notice of filing and immediate effectiveness adding seventy-five classes to Penny Pilot); 65969 (December 15, 2011), 76 FR 79268 (December 21, 2011) (SR–NASDAQ–2011–169) (notice of filing and immediate effectiveness [sic] extension and replacement of Penny Pilot); 67325 (June 29, 2012), 77 FR 40127 (July 6, 2012) (SR–NASDAQ–2012–075) (notice of filing and immediate effectiveness and extension and replacement of Penny Pilot through December 31, 2012); 68519 (December 21, 2012), 78 FR 136 (January 2, 2013) (SR–NASDAQ–2012–143) (notice of filing and immediate effectiveness and extension and replacement of Penny Pilot through June 30, 2013); 69787 (June 18, 2013), 78 FR 37858 (June 24, 2013) (SR–NASDAQ–2013–082) (notice of filing and immediate effectiveness and extension and replacement of Penny Pilot through December 31, 2013); 71105 (December 17, 2013), 78 FR 77530 (December 23, 2013) (SR–NASDAQ–2013–154) (notice of filing and immediate effectiveness and extension and replacement of Penny Pilot through June 30, 2014); 79 FR 31151 (May 23, 2014), 79 FR 31151 (May 30, 2014) (SR–NASDAQ–2014–056) (notice of filing and immediate effectiveness and extension and replacement of Penny Pilot through December 31, 2014); 73686 (November 25, 2014), 79 FR 71477 (December 2, 2014) (SR–NASDAQ–2014–115) (notice of filing and immediate effectiveness and extension and replacement of Penny Pilot through June 30, 2015) and 75283 (June 24, 2015), 80 FR 37347 (June 30, 2015) (SR–NASDAQ–2015–063) (notice of filing and immediate effectiveness of a Proposed Rule Change Relating to Extension of the Exchange's Penny Pilot Program and Replacement of Penny Pilot Issues That Have Been Delisted.) *See also* NOM Rules, Chapter VI, Section 5.

Rebate to Add Liquidity in Non-Penny Pilot Options: the Exchange proposes to

1. Reduce the Customer Rebate to Add Liquidity in Non-Penny Pilot Options from $0.84 to $0.80 per contract.
2. Offer Participants that send Customer order flow an opportunity to increase the Non-Penny Pilot Options Rebate to Add Liquidity by $0.10 per contract by qualifying for Customer or Professional Penny Pilot Options Rebate to Add Liquidity Tiers 2, 3, 4, 5 or 6 in a month for a total rebate of $.90 per contract.
3. Offer Participants that send Customer order flow an opportunity to increase the Non-Penny Pilot Options Rebate to Add Liquidity by qualifying for Customer or Professional Penny Pilot Options Rebate to Add Liquidity Tiers 7 or 8 in a month, by increasing the current additional rebate from $0.01 to $0.20 per contract, in addition to the proposed $0.80 per contract Customer rebate for a total rebate of $1.00 per contract.

Note ''c'' and note ''1'' of Chapter XV, Section 2(1):

1. Amend note ''c'' criteria (3)(a) to decrease the percentage of total industry customer equity and ETF option ADV contract per day in a month from 0.85% to 0.75%.
2. Amend note ''c'' criteria 3(b) to increase the amount of Consolidated Volume by increasing the percentage from 1.00% to 1.10% or more of Consolidated Volume in a month.
3. Conform the language in the rule text in note ''1'' and note ''c.''

Each specific change is described in greater detail below.

Fees for Removing Liquidity in Non-Penny Pilot Options

The Exchange proposes, beginning December 1, 2015, to increase the Professional,[4] Firm,[5] Non-NOM Market Maker,[6] NOM Market Maker[7] and Broker Dealer[8] Non-Penny Pilot Options Fees for Removing Liquidity from $0.94 to $1.10 per contract.[9] While the Exchange is increasing these fees, it will also offer Participants an opportunity to lower these fees by adding liquidity to NOM. Participants that qualify for the Customer or Professional Penny Pilot Options Rebate to Add Liquidity Tier 7 or 8 in a month will be assessed a lower Non-Penny Pilot Options Fee for Removing Liquidity of $1.03 per contract, reduced from $1.10 per contract, for each transaction which removes liquidity in Non-Penny Pilot Options in a month. Participants that add NOM Market Maker Liquidity may also reduce the Non-Penny Pilot Options Fee for Removing Liquidity from $1.10 to $1.08 per contract for each transaction which removes liquidity in Non-Penny Pilot Options in a month, if they qualify for Customer or Professional Penny Pilot Options Rebate to Add Liquidity Tiers 2, 3, 4, 5 or 6. The Exchange believes that while the Non-Penny Pilot Options Fees for Removing Liquidity are being increased, the opportunity to earn a discounted fee by providing liquidity will incentivize Participants to select NOM as a venue and in turn benefit other market participants with the opportunity to interact with such liquidity.

Rebate To Add Liquidity in Non-Penny Pilot Options

The Exchange proposes, beginning December 1, 2015, to decrease the Non-Penny Pilot Options Customer Rebate to Add Liquidity from $0.84 to $0.80 per contract. While the Exchange is decreasing this Customer rebate, it will also offer Participants an opportunity to obtain a higher rebate by adding liquidity to NOM. Participants that send Customer order flow will have an opportunity to earn an additional Non-Penny Pilot Options Rebate to Add Liquidity of $0.10 per contract, in addition to the proposed $0.80 per contract rebate, for a total rebate of $0.90 per contract, by qualifying for Customer or Professional Penny Pilot Options Rebate to Add Liquidity Tiers 2, 3, 4, 5 or 6 in a month. Also Participants that send Customer order flow will continue to be offered an opportunity to earn an increased additional Non-Penny Pilot Options Rebate to Add Liquidity by qualifying for Customer or Professional Penny Pilot Options Rebate to Add Liquidity Tiers 7 or 8 in a month, but the additional rebate will increase from $0.01 to $0.20 per contract, above the proposed $0.80 per contract rebate, for a total rebate of $1.00 per contract in a month. The Exchange believes that, while the Non-Penny Pilot Options Customer Rebate to Add Liquidity is being decreased, the opportunity to earn a higher rebate by adding liquidity will incentivize Participants to select NOM as a venue and in turn benefit other market participants with the opportunity to interact with such liquidity.

Note ''c'' and Note ''1'' of Chapter XV, Section 2(1)

The Exchange proposes to amend current note ''c'' which permits Participants that qualify for the Tier 8 Customer and Professional Penny Pilot Options Rebate to Add Liquidity[10] to achieve a higher rebate. Currently, note ''c'' states: ''[P]articipants that (1) add Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non- Penny Pilot Options of 1.15% or more of total industry customer equity and ETF option ADV contracts per day in a month will receive an additional $0.02 per contract Penny Pilot Options Customer Rebate to Add Liquidity for each transaction which adds liquidity in Penny Pilot Options in that month; or (2) add Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 1.40% or more of total industry customer equity and ETF option ADV contracts per day in a month will receive an additional $0.05 per contract Penny Pilot Options Customer Rebate to Add Liquidity for each transaction which adds liquidity in Penny Pilot Options in that month; or (3) (a) add Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.85% of total industry customer equity and ETF option ADV contracts per day in a

[4] The term ''Professional'' 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.

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

[6] 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.

[7] 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.

[8] 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.

[9] The Customer Non-Penny Pilot Options Fee for Removing Liquidity will remain at $0.85 per contract.

[10] Tier 8 of the Customer and Professional Rebate to Add Liquidity Tiers pays a $0.48 per contract rebate to Participants that add Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Pilot Options and/or Non-Penny Pilot Options above 0.75% or more of total industry customer equity and ETF option ADV contracts per day in a month or Participants that add (1) Customer and/or Professional liquidity in Penny Pilot Options and/or Non-Penny Pilot Options of 30,000 or more contracts per day in a month, (2) the Participant has certified for the Investor Support Program set forth in Rule 7014, and (3) the Participant qualifies for rebates under the Qualified Market Maker (''QMM'') Program set forth in Rule 7014.

month and (b) has added liquidity in all securities through one or more of its Nasdaq Market Center MPIDs that represent 1.00% or more of Consolidated Volume in a month will receive an additional $0.03 per contract Penny Pilot Options Customer Rebate to Add Liquidity for each transaction which adds liquidity in Penny Pilot Options.'' [11]

First, the Exchange proposes to amend note ''c'' to amend criteria (3)(a) to decrease the percentage of total industry customer equity and ETF option ADV contract per day in a month from 0.85% to 0.75%. The Exchange believes that this decrease will offer Participants an opportunity to qualify for this incentive by amending the qualification to require less volume. Second, the Exchange proposes to amend criteria 3(b) to increase the amount of Consolidated Volume by increasing the percentage from 1.00% to 1.10% or more of Consolidated Volume in a month to achieve the additional $0.03 per contract Penny Pilot Options Customer Rebate to Add Liquidity for each transaction which adds liquidity in Penny Pilot Options. While this note 3(b) incentive requirement is being increased, the other requirement in note 3(a) is being lowered. The Exchange believes that this incentive will continue to encourage Participants to add even more liquidity on NOM to earn a higher rebate. The Exchange is not amending the other criteria, (1) and (2), in note ''c'' to qualify for the additional rebate. Also, note ''c'' is being amended to add the phrase ''in a month'' for additional clarity.

Finally, the Exchange proposes to conform the language in the rule text in note ''1'' of Chapter XV, Section 2(1) by rewording the rule text for consistency and also referring to ''a month'' instead of a ''given month.''

2. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,[12] in general, and with Section 6(b)(4) and 6(b)(5) of the Act,[13] 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 or system which Nasdaq operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

Fees for Removing Liquidity in Non-Penny Pilot Options

The Exchange's proposal to increase the Professional, Firm, Non-NOM Market Maker, NOM Market Maker and Broker Dealer Non-Penny Pilot Options Fees for Removing Liquidity from $0.94 to $1.10 per contract is reasonable, because these fees serve to offset the Exchange's incentives to increase the Non-Penny Pilot Options Customer rebate up to $1.00 per contract. The Exchange is amending the Non-Penny Pilot Options Rebate to Add Liquidity to pay a proposed decreased rebate of $0.80 per contract, but with an opportunity to earn a higher rebate of $0.90 per contract or $1.00 per contract, depending on the Participant's qualifications for Customer or Professional Rebates to Add Liquidity in Penny Pilot Options. The Exchange seeks to encourage Participants to send more Customer or Professional Order flow to obtain an even higher Customer rebate than is offered today.[14] The Exchange believes that this benefits the Exchange in two ways: (1) The Exchange is encouraging Participants to qualify for Customer or Professional Penny Pilot Options rebate tiers, which requires Participants to send Penny and/or Non-Penny Pilot Options order flow to the Exchange; and (2) the Exchange is incentivizing Participants to transact more Customer Non-Penny Pilot Options on NOM. Additional order flow benefits all market participants, because they are afforded an opportunity to interact with the increased order flow. Customer order flow enhances liquidity on the Exchange for the benefit of all market participants and benefits all market participants by providing more trading opportunities, which attracts market makers.[15] An increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants. Customers will continue to be assessed an $0.85 per contract Non-Penny Pilot Options Fee for Removing Liquidity, because Customer liquidity offers unique benefits to the market which benefits all market participants. Further, the Exchange believes the proposed fees for removing liquidity are consistent with fees assessed by other options exchanges.[16] Also, the Exchange believes that encouraging Participants to add Professional liquidity creates competition among options exchanges because the Exchange believes that the rebates may cause market participants to select NOM as a venue to send Professional order flow.

The Exchange's proposal to increase the Professional, Firm, Non-NOM Market Maker, NOM Market Maker and Broker Dealer Non-Penny Pilot Options Fees for Removing Liquidity from $0.94 to $1.10 per contract is equitable and not unfairly discriminatory, because all Participants, other than Customers, are being assessed the same Non-Penny Pilot Options Fees for Removing Liquidity. Customer order flow, unlike other order flow, enhances liquidity on the Exchange for the benefit of all market participants and benefits all market participants by providing more trading opportunities, which attracts market makers. Customers continue to be assessed the lowest Non-Penny Pilot Options Fee for Removing Liquidity of $0.85 per contract.

The Exchange's proposal to offer Participants an opportunity to reduce the Professional, Firm, Non-NOM Market Maker, NOM Market Maker and Broker Dealer Non-Penny Pilot Options Fees for Removing Liquidity from $1.10 to $1.03 per contract is reasonable, because the Exchange believes that offering Participants an opportunity to reduce fees by qualifying for Customer or Professional Rebates to Add Liquidity in Penny Pilot Options Tiers 7 or 8 will benefit all Participants from the increased liquidity such rebate tiers will attract to the Exchange, while reducing fees.

The Exchange's proposal to offer Participants an opportunity to reduce the Professional, Firm, Non-NOM Market Maker, NOM Market Maker and Broker Dealer Non-Penny Pilot Options Fees for Removing Liquidity from $1.10 to $1.03 per contract is equitable and not unfairly discriminatory, because all non-Customer Participants may qualify for this fee discount. Customers pay a lower fee of $0.85 per contract, because Customer order flow enhances liquidity on the Exchange for the benefit of all market participants and benefits all market participants by providing more

[11] Consolidated Volume means the total consolidated volume reported to all consolidated transaction reporting plans by all exchanges and trade reporting facilities during a month in equity securities, excluding executed orders with a size of less than one round lot. For purposes of calculating Consolidated Volume and the extent of an equity member's trading activity, expressed as a percentage of or ratio to Consolidated Volume, the date of the annual reconstitution of the Russell Investments Indexes shall be excluded from both total Consolidated Volume and the member's trading activity.

[12] 15 U.S.C. 78f.

[13] 15 U.S.C. 78f(b)(4) and (5).

[14] Today, the Customer Rebate to Add Liquidity in Non-Penny Pilot Options is $0.84 per contract.

[15] Customers continue to be assessed the lowest Non-Penny Pilot Options Fee for Removing Liquidity of $0.85 per contract. This fee is not being amended with this proposal.

[16] Today, BOX Options Exchange LLC assesses a $1.07 Non-Penny Pilot take fee to Professional Customers and Broker-Dealers when removing customer liquidity. *See* BOX Options Exchange Fee Schedule.

trading opportunities, which attracts market makers.

The Exchange's proposal to offer Participants that send NOM Market Maker order flow an opportunity to reduce the Non-Penny Pilot Options Fee for Removing Liquidity from $1.10 to $1.08 per contract is reasonable, because the Exchange seeks to encourage Participants to send more Penny and/or Non-Penny Pilot Options order flow to NOM to obtain the discount. Offering to reduce NOM Market Maker fees for Participants that qualify for the lower Customer or Professional Penny Pilot Options Tiers 2, 3, 4, 5 or 6, as well as the higher Tiers 7 and 8,[17] should encourage Participants to send additional order flow to NOM to obtain a lower fee.

The Exchange's proposal to offer Participants that send NOM Market Maker order flow an opportunity to reduce the Non-Penny Pilot Options Fee for Removing Liquidity from $1.10 to $1.08 per contract is equitable and not unfairly discriminatory, because NOM Market Makers, unlike other market participants, add value through continuous quoting [18] and the commitment of capital. Further, encouraging NOM Market Makers to add greater liquidity benefits all Participants in the quality of order interaction. The Exchange believes that it is equitable and not unfairly discriminatory to only offer NOM Market Makers the opportunity to earn a discounted fee for qualifying for the lower Customer or Professional Penny Pilot Options Tiers 2, 3, 4, 5 or 6 because of the obligations borne by these market participants. Also, today Customers pay a lower fee of $0.85 per contract, as compared to NOM Market Makers. The Exchange believes it is equitable and not unfairly discriminatory to assess Customers a lower fee, because Customer order flow enhances liquidity on the Exchange for the benefit of all market participants and benefits all market participants by providing more trading opportunities, which attracts market makers.

Rebate To Add Liquidity in Non-Penny Pilot Options

The Exchange's proposal to decrease the Non-Penny Pilot Options Customer Rebate to Add Liquidity from $0.84 to $0.80 per contract is reasonable, because although the rebate is being decreased by $0.04 per contract, the Exchange is also offering Participants an opportunity to earn a higher rebate by sending Customer or Professional order flow to NOM. The Exchange proposes to offer Participants the opportunity to increase the Non-Penny Pilot Options Customer Rebate to Add Liquidity to either $0.90 or $1.00 per contract, depending on the Participant's qualifications for Customer or Professional Rebates to Add Liquidity in Penny Pilot Options. Today, only Customers are entitled to receive a Non-Penny Pilot Options Customer Rebate to Add Liquidity of $0.84 per contract. The Exchange will continue to offer Participants the opportunity to receive a rebate for Customer orders, albeit a reduced rebate. Also, by offering an opportunity to earn a higher Customer rebate through the addition of certain order flow to NOM, the Exchange seeks to encourage Participants to send more Customer or Professional Order flow, which benefits all market participants because they are afforded an opportunity to interact with the increased order flow. Customer liquidity offers unique benefits to the market which benefits all market participants. Also, the Exchange believes that encouraging Participants to add Professional liquidity creates competition among options exchanges, because the Exchange believes that the rebates may cause market participants to select NOM as a venue to send Professional order flow.

The Exchange's proposal to decrease the Non-Penny Pilot Options Customer Rebate to Add Liquidity from $0.84 to $0.80 per contract is equitable and not unfairly discriminatory, because, today, only Customers are entitled to such a rebate, because Customer order flow brings unique benefits to the market through increased liquidity which benefits all market participants. Customers will continue to be offered a rebate, unlike other market participants.

The Exchange's proposal to offer Participants that send Customer order flow an opportunity to increase the proposed lower Customer Non-Penny Pilot Options Rebate to Add Liquidity from $0.80 to $0.90 per contract, provided the Participant qualifies for Customer or Professional Penny Pilot Options Rebate to Add Liquidity Tiers 2, 3, 4, 5 or 6 is reasonable, because the Exchange will increase the $0.80 per contract rebate, thereby encouraging Participants to send more Customer or Professional Penny and/or Non-Penny Pilot Options order flow to the Exchange. This rebate incentive also incentivizes Participants to transact more Customer Non-Penny Pilot Options on NOM.

The Exchange's proposal to offer Participants that send Customer order flow an opportunity to increase the proposed lower Customer Non-Penny Pilot Options Rebate to Add Liquidity from $0.80 to $0.90 per contract, provided the Participant qualifies for Customer or Professional Penny Pilot Options Rebate to Add Liquidity Tiers 2, 3, 4, 5 or 6 is equitable and not unfairly discriminatory, because Customer order flow, unlike other order flow, brings unique benefits to the market through increased liquidity which benefits all market participants. Customers will continue to be offered a rebate, unlike other market participants.

The Exchange's proposal to offer Participants that send Customer order flow an opportunity to increase the proposed lower Customer Non-Penny Pilot Options Rebate to Add Liquidity from $0.80 to $1.00 per contract, provided the Participant qualifies for Customer or Professional Penny Pilot Options Rebate to Add Liquidity Tiers 7 or 8 is reasonable, because the Exchange will increase the $0.80 per contract rebate, thereby encouraging Participants to send more Customer or Professional Penny and/or Non-Penny Pilot Options order flow to the Exchange. This rebate incentive also incentivizes Participants to transact more Customer Non-Penny Pilot Options on NOM.

The Exchange's proposal to offer Participants that send Customer order flow an opportunity to increase the proposed lower Customer Non-Penny Pilot Options Rebate to Add Liquidity from $0.80 to $1.00 per contract, provided the Participant qualifies for Customer or Professional Penny Pilot Options Tiers 7 or 8 is equitable and not unfairly discriminatory, because Customer order flow, unlike other order flow, brings unique benefits to the market through increased liquidity which benefits all market participants. Customers will continue to be offered a rebate, unlike other market participants.

Note ''c'' and Note ''1'' of Chapter XV, Section 2(1)

The Exchange's proposal to amend one of the three criteria in note ''c'' to earn a higher rebate for Participants that qualify for the Tier 8 Customer and

[17] Participants may qualify for the reduction of the Non-Penny Pilot Options Fee for Removing Liquidity from $1.10 to $1.03 per contract for all non-Customer order flow, provided the Participant qualifies for Tiers 2, 3, 4, 5 or 6 [sic] of the Customer or Professional Penny Pilot Option Rebate to Add Liquidity.

[18] Pursuant to Chapter VII (Market Participants), Section 5 (Obligations of Market Makers), in registering as a market maker, an Options Participant commits himself to various obligations. Transactions of a Market Maker in its market making capacity must constitute a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and Market Makers should not make bids or offers or enter into transactions that are inconsistent with such course of dealings. Further, all Market Makers are designated as specialists on NOM for all purposes under the Act or rules thereunder. *See* Chapter VII, Section 5.

Professional Penny Pilot Options Rebate to Add Liquidity is reasonable because the opportunity to earn a higher rebate of $0.51 per contract,[19] provided the qualifications are met, will continue to incentivize Participants to transact an even greater number of qualifying Customer and/or Professional volume, which liquidity will benefit other market participants by providing them the opportunity to interact with that liquidity. The Exchange's proposal to offer Participants an opportunity to obtain a higher Tier 8 rebate of $0.51 per contract, provided they qualify for the Tier 8 rebate criteria, which includes the addition of options and equity volume, is reasonable because the Exchange is encouraging market participants to send order flow to both the options and equity markets to receive the rebate. Incentivizing Participants to add options liquidity through the payment of an additional rebate is not novel and exists today. The concept of participating in the equities market as a means to qualify for an options rebate also exists today. The Exchange's proposal would amend one of three qualifications that Participants may qualify for in order to obtain an increased Tier 8 rebate.

Specifically, the Exchange believes that the proposal to amend the criteria in 3(a) to decrease the percentage of total industry customer equity and ETF option ADV contract per day in a month from 0.85% to 0.75% to achieve the additional $0.03 per contract Penny Pilot Options Customer Rebate to Add Liquidity is reasonable, because the decrease may offer Participants an opportunity to qualify for this incentive, which would require less volume. The amended incentive has the potential to make the applicable higher rebate available to a wider range of market participants. The Exchange also believes that the proposal to amend the criteria in 3(b) to increase the amount of Consolidated Volume by increasing the percentage from 1.00% to 1.10% or more of Consolidated Volume, in a month, to obtain the additional $0.03 per contract Penny Pilot Options Customer Rebate to Add Liquidity is reasonable because, despite the increase, the other requirement to obtain the rebate in note 3(a) is being lowered. Both the 3(a) and 3(b) requirements must be met in order to qualify for the additional Tier 8 rebate pursuant to the third prong in note ''c.'' Participants may still qualify for the Tier 8 additional rebate by qualifying pursuant to note ''c'' prongs (1) or (2) as well. The Exchange believes that this incentive will continue to encourage Participants to add even more liquidity on NOM to earn a higher rebate. Finally, this participation benefits the Nasdaq Market Center as well as the NOM market by incentivizing order flow to these markets. Because cash equities and options markets are linked, with liquidity and trading patterns on one market affecting those on the other, the Exchange believes that pricing incentives that encourage market participant activity in NOM also support price discovery and liquidity provision in the Nasdaq Market Center.

The Exchange's proposal to amend one of the three criteria in note ''c'' to earn a higher rebate for Participants that qualify for the Tier 8 Customer and Professional Penny Pilot Options Rebate to Add Liquidity is equitable and not unfairly discriminatory, because all Participants may qualify for the Tier 8 rebate and the additional incentive. Qualifying Participants will be uniformly paid the rebate provided the requirements are met in a month. The Exchange believes that the proposal to amend the criteria in 3(a) to decrease the percentage of total industry customer equity and ETF option ADV contract per day in a month from 0.85% to 0.75% to achieve the additional $0.03 per contract Penny Pilot Options Customer Rebate to Add Liquidity is equitable and not unfairly discriminatory, because the qualification will apply uniformly to all Participants. Similarly, the Exchange also believes that the proposal to amend the criteria in 3(b) to increase the amount of Consolidated Volume by increasing the percentage from 1.00% to 1.10% or more of Consolidated Volume, in a month, to obtain the additional $0.03 per contract Penny Pilot Options Customer Rebate to Add Liquidity is equitable and not unfairly discriminatory, because the qualification will apply uniformly to all Participants. All Participants would continue to be required to qualify for both 3(a) and 3(b) to achieve the additional Tier 8 rebate pursuant to the third prong in note ''c.''

The Exchange's proposal to conform the language in the rule text in note ''1'' of Chapter XV, Section 2(1) by rewording the rule text and also referring to ''a month'' instead of a ''given month'' and the proposal to amend note ''c'' to add the phrase ''in a month'' is reasonable, equitable and not unfairly discriminatory, because these amendments will bring consistency to the rule text.

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

The Exchange does not believe that the proposed rule change will impose any inter-market burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange operates in a highly competitive market in which many sophisticated and knowledgeable market participants can readily and do send order flow to competing exchanges if they deem fee levels or rebate incentives at a particular exchange to be excessive or inadequate. Additionally, new competitors have entered the market and still others are reportedly entering the market shortly. These market forces ensure that the Exchange's fees and rebates remain competitive with the fee structures at other trading platforms. In that sense, the Exchange's proposal is actually pro-competitive because the Exchange is simply responding to competition by adjusting rebates and fees in order to remain competitive in the current environment.

Fees for Removing Liquidity in Non-Penny Pilot Options

The Exchange's proposal to increase the Professional, Firm, Non-NOM Market Maker, NOM Market Maker and Broker Dealer Non-Penny Pilot Options Fees for Removing Liquidity from $0.94 to $1.10 per contract does not impose an undue burden on intra-market competition, because all Participants, other than Customers, are being assessed the same Non-Penny Pilot Options Fees for Removing Liquidity. Also, Participants have an opportunity to reduce the Professional, Firm, Non-NOM Market Maker, NOM Market Maker and Broker Dealer Non-Penny Pilot Options Fees for Removing Liquidity from $1.10 to $1.03 per contract. All Participants may qualify for Tiers 7 or 8 of the Customer or Professional Rebates to Add Liquidity in Penny Pilot Options. All Participants benefit from the increased liquidity such rebate tiers will attract to the Exchange. Finally, Customers will continue to be assessed the lowest Non-Penny Pilot Options Fees for Removing Liquidity of $0.85 per contract, as is the case today because Customer order flow, unlike other order flow, brings unique benefits to the market through increased liquidity which benefits all market participants.

The Exchange's proposal to offer Participants an opportunity to reduce the Professional, Firm, Non-NOM Market Maker, NOM Market Maker and

[19] Tier 8 of the Customer and Professional Penny Pilot Options Rebate to Add Liquidity pays a $0.48 per contract rebate and note ''c'' prong 3 pays an additional $0.03 per contract incentive for a total rebate of $0.51 per contract.

Broker Dealer Non-Penny Pilot Options Fees for Removing Liquidity from $1.10 to $1.03 per contract does not impose an undue burden on intra-market competition, because all Participants may qualify for the Tier 7 or 8 Customer or Professional Rebates to Add Liquidity in Penny Pilot Options.

The Exchange's proposal to offer Participants an opportunity to reduce the NOM Market Maker Non-Penny Pilot Options Fees for Removing Liquidity from $1.10 to $1.08 per contract does not impose an undue burden on intra-market competition, because NOM Market Makers, unlike other market participants, add value through continuous quoting [20] and the commitment of capital. Also, today Customers are assessed a lower fee of $0.85 per contract because Customer order flow, unlike other order flow, brings unique benefits to the market through increased liquidity which benefits all market participants.

Rebate To Add Liquidity in Non-Penny Pilot Options

The Exchange's proposal to decrease the Non-Penny Pilot Options Customer Rebate to Add Liquidity from $0.84 to $0.80 per contract does not impose an undue burden on intra-market competition, because the Exchange continues to incentivize market participants by offering rebates to encourage Participants to send Customer order flow to the Exchange. This order flow benefits all market participants because they are afforded an opportunity to interact with the increased order flow. Customer liquidity offers unique benefits to the market which benefits all market participants. The Exchange continues to offer Customers this rebate, which is not offered to other market participants.

The Exchange's proposal to offer Participants an opportunity to increase the proposed lower Non-Penny Pilot Options Customer Rebate to Add Liquidity from $0.80 to $0.90 per contract or from $0.80 to $1.00 per contract does not impose an undue burden on intra-market competition, because the Exchange believes that Customers are entitled to higher rebates because Customer order flow brings unique benefits to the market through increased liquidity, which benefits all market participants. Also, the incentive encourages Participants to send additional order flow to NOM.

Note ''c'' and Note ''1'' of Chapter XV, Section 2(1)

The Exchange's proposal to amend note ''c'' to continue to earn a $0.03 per contract higher rebate for Participants that qualify for the Tier 8 Customer and Professional Penny Pilot Options Rebate to Add Liquidity does not impose an undue burden on intra-market competition, because all Participants may qualify for Tier 8 as well as the additional incentive. Also, all qualifying Participants will be uniformly paid the rebate provided the requirements are met in a month.

The Exchange believes that the proposal to amend the criteria in 3(a) to decrease the percentage of total industry customer equity and ETF option ADV contract per day in a month from 0.85% to 0.75% and the proposal to amend the criteria in 3(b) to increase the amount of Consolidated Volume by increasing the percentage from 1.00% to 1.10% or more of Consolidated Volume in a month to achieve the additional $0.03 per contract Penny Pilot Options Customer Rebate to Add Liquidity does not impose an undue burden on intra-market competition, because the qualification will apply uniformly to all Participants. All Participants would continue to be required to qualify for both 3(a) and 3(b) to achieve the additional Tier 8 rebate pursuant to the third prong in note ''c.''

The Exchange's proposal to conform the language in the rule text in note ''1'' by rewording the rule text and also referring to ''a month'' instead of a ''given month'' and amending note ''c'' to add the phrase ''in a month'' does not create an undue burden on intra-market competition because the amendments are non-substantive in nature.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.[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: (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.

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 email to *rule-comments@sec.gov*. Please include File Number SR–NASDAQ–2015–148 on the subject line.

Paper Comments

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–NASDAQ–2015–148. 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 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–2015–148 and should be submitted on or before January 11, 2016.

[20] *See supra* note 18.

[21] 15 U.S.C. 78s(b)(3)(A)(ii).

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

Robert W. Errett,

Deputy Secretary.

[FR Doc. 2015–31934 Filed 12–18–15; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–76656; File No. SR–BX–2015–080]

Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Exchange's Certificate of Incorporation and By-Laws

December 15, 2015.

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 December 9, 2015, NASDAQ OMX BX, Inc. (''BX'' 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 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 the Substance of the Proposed Rule Change

The Exchange is filing this proposed rule change with respect to amendments of its Certificate of Incorporation (the ''Charter'') and By-Laws (the ''By-Laws'') to change its name to NASDAQ BX, Inc. The proposed amendments will be implemented on a date designated by the Exchange, which shall be at least 30 days from the date of this filing. The text of the proposed rule change is available on the Exchange's Web site at *http://nasdaqomxbx.cchwallstreet.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 aspects of such statements.

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

1. Purpose

As part of an ongoing global rebranding initiative, the Exchange's parent company and sole stockholder (the ''Parent'') recently changed its legal name from The NASDAQ OMX Group, Inc. to Nasdaq, Inc.[3] For purposes of consistency, the Parent also has decided to change the legal names of certain of its subsidiaries to eliminate references to OMX. The Exchange therefore proposes to amend its Charter and By-Laws to change its legal name from NASDAQ OMX BX, Inc. to NASDAQ BX, Inc.

Specifically, the Exchange proposes to file a Certificate of Amendment to its Charter with the Secretary of State of the State of Delaware to amend Article First of the Charter to reflect the new name.[4] In addition, the Exchange proposes to amend the title and Article I(l) of the By-Laws to reflect the new name. The Exchange also proposes to amend Section 9.4(c) of the By-Laws to reflect the Parent's name change, which became effective on September 8, 2015.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[5] in general, and furthers the objectives of Section 6(b)(5) of the Act,[6] 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 is proposing amendments to its Charter and By-Laws to effectuate its name change to NASDAQ BX, Inc. and to reflect the Parent's recent name change to Nasdaq, Inc. The Exchange believes that the changes will protect investors and the public interest by eliminating confusion that may exist because of differences between its corporate name and the current global branding of the Parent and its affiliated entities, including the Exchange.

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

Because the proposed rule change relates to the governance and not to the operations of the Exchange, 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.

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)(iii) of the Act[7] and subparagraph (f)(6) of Rule 19b–4 thereunder.[8]

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.

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:

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[22] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 75421 (July 10, 2015), 80 FR 42136 (July 16, 2015) (SR–BSECC–2015–001, SR–BX–2015–030, SR–NASDAQ–2015–058, SR–Phlx–2015–46, SR–SCCP–2015–01).

[4] On the Exchange's Web site (*http://nasdaqomxbx.cchwallstreet.com*), the Certificate of Amendment and Certificate of Incorporation will appear as two separate documents (in addition to the prior Certificate of Amendment, dated December 30, 2008), which is consistent with how they will appear in the records of the Secretary of State of the State of Delaware.

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

[6] 15 U.S.C. 78f(b)(5).

[7] 15 U.S.C. 78s(b)(3)(A)(iii).

[8] 17 CFR 240.19b–4(f)(6).