

## Nasdaq ISE/GEMX/MRX Rules, PREFACE

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All fee disputes concerning fees which are billed by the Exchange must be submitted to the Exchange in writing and must be accompanied by supporting documentation. All fee disputes must be submitted no later than sixty (60) calendar days after receipt of a billing invoice.

For purposes of assessing fees, the following references should serve as guidance. Fees and rebates are listed per contract per leg unless otherwise noted.

A “**Priority Customer**” is a person or entity that is not a broker/dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s), as defined in Nasdaq GEMX Rule 100(a)(37A). Unless otherwise noted, when used in this Schedule of Fees the term “Priority Customer” includes “Retail” as defined below.

A “**Professional Customer**” is a person or entity that is not a broker/dealer and is not a Priority Customer.

A “**Non-Nasdaq GEMX Market Maker**” is a market maker as defined in [Section 3\(a\)\(38\) of the Securities Exchange Act of 1934](#), as amended, registered in the same options class on another options exchange.

A “**Firm Proprietary**” order is an order submitted by a member for its own proprietary account.

A “**Broker-Dealer**” order is an order submitted by a member for a broker-dealer account that is not its own proprietary account.

A “**Retail**” order is a Priority Customer order that originates from a natural person, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology.

A “**Flash Order**” is an order that is exposed at the National Best Bid or Offer by the Exchange to all members for execution, as provided under Supplementary Material .02 to Nasdaq GEMX Rule 1901. For all Flash Orders, the Exchange will charge the applicable taker fee and for responses that trade against a Flash Order, the Exchange will provide the applicable maker rebate.

A “**Regular Order**” is an order that consists of only a single option series and is not submitted with a stock leg.

A “**Crossing Order**” is an order executed in the Exchange's Facilitation Mechanism, Solicited Order Mechanism, Price Improvement Mechanism or submitted as a Qualified Contingent Cross order. For purposes of this Fee Schedule, orders executed in the Block Order Mechanism are also considered Crossing Orders.

“**Responses to Crossing Order**” is any contra-side interest (i.e., orders & quotes) submitted after the commencement of an auction in the Exchange's Facilitation Mechanism, Solicited Order Mechanism, Block Order Mechanism or Price Improvement Mechanism.

“**Penny Symbols**” are options overlying all symbols listed on Nasdaq GEMX that are in the Penny Pilot Program. The current list of Nasdaq GEMX-listed Penny Pilot Program symbols is available at [http://www.ise.com/assets/files/products/pennies/penny\\_stocks.xls](http://www.ise.com/assets/files/products/pennies/penny_stocks.xls)

“**Non-Penny Symbols**” are options overlying all symbols excluding Penny Symbols.

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# Nasdaq ISE/GEMX/MRX Rules, Regulation, I., Nasdaq ISE, GEMX & MRX, Regular Order Fees and Rebates

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## Penny Symbols and SPY

Market Participant	Maker Rebate: Tier 1	Maker Rebate: Tier 2	Maker Rebate: Tier 3	Maker Rebate: Tier 4	Taker Fee: Tier 1(4)(13)	Taker Fee: Tier 2(4)(13)	Taker Fee: Tier 3(4)(13)	Taker Fee: Tier 4(4)(13)	Fee for Crossing Orders (excluding PIM)(1) (11)	Fee for Responses to Crossing Orders (excluding PIM)(12)
Market Maker <sup>(2)(3)(5)</sup>	(\$0.28)	(\$0.30)	(\$0.35)	(\$0.45)	\$0.50	\$0.50	\$0.50	\$0.48	\$0.20	\$0.50
Non-Nasdaq GEMX Market Maker (FarMM) <sup>(3)</sup>	(\$0.25)	n/a	n/a	n/a	\$0.50	\$0.50	\$0.50	\$0.48	\$0.20	\$0.50
Firm Proprietary / Broker-Dealer <sup>(3)</sup>	(\$0.25)	n/a	n/a	n/a	\$0.50	\$0.50	\$0.50	\$0.49	\$0.20	\$0.50
Professional Customer <sup>(3)</sup>	(\$0.25)	n/a	n/a	n/a	\$0.50	\$0.50	\$0.50	\$0.49	\$0.20	\$0.50
Priority Customer <sup>(3)(5)</sup>	(\$0.25)	(\$0.40)	(\$0.48)	(\$0.53)	\$0.48	\$0.47	\$0.47	\$0.45	\$0.00	\$0.50

## Non-Penny Symbols (Excluding Index Options)<sup>(6)</sup>

Market Participant	Maker Rebate: Tier 1	Maker Rebate: Tier 2	Maker Rebate: Tier 3	Maker Rebate: Tier 4	Taker Fee: Tier 1(4)(16)	Taker Fee: Tier 2(4)(16)	Taker Fee: Tier 3(4)(16)	Taker Fee: Tier 4(4)(16)	Fee for Crossing Orders (excluding PIM) <sup>(1)(11)</sup>	Fee for Responses to Crossing Orders (excluding PIM) <sup>(12)</sup>
Market Maker <sup>(2)(3)(5)</sup>	(\$0.40)	(\$0.42)	(\$0.45)	(\$0.75)	\$0.99	\$0.99	\$0.99	\$0.94	\$0.20	\$1.00
Non-Nasdaq GEMX Market Maker (FarMM) <sup>(3)</sup>	(\$0.25)	n/a	n/a	n/a	\$0.99	\$0.99	\$0.99	\$0.94	\$0.20	\$1.00
Firm Proprietary / Broker-Dealer <sup>(3)</sup>	(\$0.25)	n/a	n/a	n/a	\$0.99	\$0.99	\$0.99	\$0.94	\$0.20	\$1.00
Professional Customer <sup>(3)</sup>	(\$0.25)	n/a	n/a	n/a	\$0.99	\$0.99	\$0.99	\$0.94	\$0.20	\$1.00
Priority Customer <sup>(3)(5)</sup>	(\$0.75)	(\$0.80)	(\$0.85)	(\$1.05)	\$0.85	\$0.85	\$0.85	\$0.82	\$0.00	\$1.00

## Index Options<sup>(6)(9)</sup>

Market Participant	Fee <sup>(10)</sup>
Market Maker <sup>(2)</sup>	\$0.75
Non-Nasdaq GEMX Market Maker (FarMM)	\$0.75
Firm Proprietary / Broker-Dealer	\$0.75
Professional Customer	\$0.75
Priority Customer	\$0.00

1. Fees apply to the originating and contra order.

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2. This fee applies to Nasdaq GEMX Market Maker orders sent to the Exchange by Electronic Access Members.
3. All market participants are eligible for lower taker fees based on achieving volume thresholds in Table 1 below. Members who do not achieve a higher Tier under Table 1 will be charged Tier 1 taker fees.
4. Non-Priority Customer orders will be charged the taker fee for trades executed during the opening rotation. Priority Customer orders executed during the opening rotation will receive the applicable maker rebate based on the tier achieved.
5. Market Maker and Priority Customer orders are eligible for higher maker rebates based on achieving volume thresholds in Table 1 below. Members who do not achieve a higher Tier under Table 1 will receive Tier 1 maker rebates.
6. The index options fees apply only to NDX. These fees are assessed to all executions in NDX.
7. Reserved.
8. Reserved.
9. For transactions in NDX, a license surcharge of \$0.25 will be assessed to Non-Priority Customers. The license surcharge applies to all NDX executions, including executions of NDX orders that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan.
10. This fee is not subject to tier discounts.
11. This fee is \$0.05 per contract for Priority Customer orders on the contra-side of a PIM auction and all non-Priority Customer orders executed in the PIM. There is no fee for Priority Customer orders on the agency side of a PIM auction.
12. This fee is \$0.05 per contract for all Responses to Crossing Orders executed in the PIM.
13. Non-Priority Customer orders will be charged a taker fee of \$0.50 per contract for trades executed against a Priority Customer. Priority Customer orders will be charged a taker fee of \$0.49 per contract for trades executed against a Priority Customer.
14. Reserved.
15. Reserved.
16. Non-Priority Customer orders will be charged a taker fee of \$1.10 per contract for trades executed against a Priority Customer. Priority Customer orders will be charged a taker fee of \$0.85 per contract for trades executed against a Priority Customer.

### Qualifying Tier Thresholds

Table 1

Tier	Total Affiliated Member ADV	Priority Customer Maker ADV
Tier 1	0–99,999	0–19,999
Tier 2	100,000–224,999, or executes 1% to less than 2% of Customer Total Consolidated Volume	20,000–99,999
Tier 3	225,000–349,999, or executes 2% to less than 3% of Customer Total Consolidated Volume	100,000–149,999
Tier 4	350,000 or more, or executes 3% or greater of Customer Total Consolidated Volume	150,000 or more

- For purposes of measuring Total Affiliated Member ADV, Customer Total Consolidated Volume means the total volume cleared at The Options Clearing Corporation in the Customer range in equity and ETF options in that month.
- Any day that the market is not open for the entire trading day or the Exchange instructs members in writing to route their orders to other markets may be excluded from the ADV calculation; provided that the Exchange will only remove the day for members that would have a lower ADV with the day included.

- The highest tier threshold attained above applies retroactively in a given month to all eligible traded contracts and applies to all eligible market participants.
- All eligible volume from affiliated Members will be aggregated in determining applicable tiers, provided there is at least 75% common ownership between the Members as reflected on each Member's Form BD, Schedule A.
- The Total Affiliated Member ADV category includes all volume in all symbols and order types, including both maker and taker volume and volume executed in the PIM, Facilitation, Solicitation, and QCC mechanisms.
- The Priority Customer Maker ADV category includes all Priority Customer volume that adds liquidity in all symbols.

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# Nasdaq ISE/GEMX/MRX Rules, Regulation, II., Nasdaq ISE, GEMX & MRX, Other Options Fees and Rebates

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## A. Route-Out Fees<sup>1</sup>.

Market Participant	Penny & SPY	Non-Penny
Market Maker	\$0.55	\$1.09
Non-Nasdaq GEMX Market Maker (FarMM)	\$0.55	\$1.09
Firm Proprietary / Broker-Dealer	\$0.55	\$1.09
Professional Customer	\$0.55	\$1.09
Priority Customer	\$0.50	\$0.90

<sup>1</sup>. Fee applies to executions of orders that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan.

## B. Market Access and Routing Subsidy ("MARS") MARS System Eligibility

To qualify for MARS, a GEMX Member's routing system (hereinafter "System") would be required to: (1) enable the electronic routing of orders to all of the U.S. options exchanges, including GEMX; (2) provide current consolidated market data from the U.S. options exchanges; and (3) be capable of interfacing with GEMX's API to access current GEMX match engine functionality. Further, the Member's System would also need to cause GEMX to be the one of the top four default destination exchanges for (a) individually executed marketable orders if GEMX is at the national best bid or offer ("NBBO"), regardless of size or time or (b) orders that establish a new NBBO on GEMX's Order Book, but allow any user to manually override GEMX as a default destination on an order-by-order basis. Any GEMX Member would be permitted to avail itself of this arrangement, provided that its order routing functionality incorporates the features described above and satisfies GEMX that it appears to be robust and reliable. The Member remains solely responsible for implementing and operating its System.

### MARS Eligible Contracts

MARS Payment would be made to GEMX Members that have System Eligibility and have routed the requisite number of Eligible Contracts daily in a month, which were executed on GEMX. For the purpose of qualifying for the MARS Payment, Eligible Contracts include the following: Non-Nasdaq GEMX Market Maker (FARMM), Firm Proprietary/Broker-Dealer and Professional Customer Orders that are executed. Eligible Contracts do not include qualified contingent cross or "QCC" Orders or Price Improvement Mechanism or "PIM" Orders. Options overlying NDX are not considered Eligible Contracts.

### MARS Payment

GEMX Members that have System Eligibility and have executed the requisite number of Eligible Contracts in a month will be paid the following per contract rebates:

Tiers	Average Daily Volume ("ADV")	MARS Payment
1	10,000	\$0.07
2	15,000	\$0.10
3	20,000	\$0.13

The specified MARS Payment will be paid on all executed Eligible Contracts that add liquidity, which are routed to GEMX through a participating GEMX Member's System and meet the requisite Eligible Contracts ADV. No payment will be made with respect to orders that are routed to GEMX, but not executed.

A GEMX Member will not be entitled to receive any other revenue for the use of its System specifically with respect to orders routed to GEMX.

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# Nasdaq ISE/GEMX/MRX Rules, Regulation, III., Nasdaq ISE, GEMX & MRX, Legal & Regulatory

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## A. Options Regulatory Fee

The ORF is \$0.0010 per contract side until July 31, 2018.

\$0.0020 per contract side as of August 1, 2018

The Options Regulatory Fee ("ORF") is assessed by GEMX to each GEMX Member for options transactions cleared by The Options Clearing Corporation ("OCC") in the customer range where: (1) the execution occurs on GEMX or (2) the execution occurs on another exchange and is cleared by a GEMX Member. The ORF is collected by OCC on behalf of GEMX from (1) GEMX clearing members for all customer transactions they clear or (2) non-members for all customer transactions they clear that were executed on GEMX. GEMX uses reports from OCC when assessing and collecting ORF. The Exchange will notify Members via an Options Trader Alert of any change in the amount of the fee at least 30 calendar days prior to the effective date of the change.

## B. FINRA Web CRD Fees

These fees are collected and retained by FINRA via the Web CRD registration system for the registration of associated persons of member organizations of the Exchange that are not FINRA members.

General Registration Fees:

\$100—For each initial Form U4 filed for the registration of a representative or principal.

\$110—For the additional processing of each initial or amended Form U4, Form U5 or Form BD that includes the initial reporting, amendment or certification of one of more disclosure events or proceedings.

\$45—FINRA Annual System Processing Fee Assessed only during Renewals.

Fingerprint Processing Fees:

\$29.50—Initial Submission (Electronic)

\$44.50—Initial Submission (Paper)

\$15.00—Second Submission (Electronic)

\$30.00—Second Submission (Paper)

\$29.50—Third Submission (Electronic)

\$44.50—Third Submission (Paper)

\$30.00—FINRA Processing Fee for Fingerprint Results Submitted by Self-Regulatory Organizations other than FINRA.

Continuing Education Fee:

\$60—S501. Assessed to each individual who is solely registered as a Proprietary Trader required to complete the Regulatory Element of the Continuing Education Requirements pursuant to Nasdaq GEMX Rule 604.

## C. Reserved.

## D. Application Fees

Primary Market Maker - \$3,000 per Firm (one time).

Competitive Market Maker - \$2,000 per Firm (one time).

Electronic Access Member - \$1,500 per Firm (one time).

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# Nasdaq ISE/GEMX/MRX Rules, Regulation, IV., Nasdaq ISE, GEMX & MRX, Connectivity Fees

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## A. Access Fees

Electronic Access Member

\$200 per month per membership.

Market Maker

Primary Market Maker - \$200 per month per membership.

Competitive Market Maker - \$100 per month per membership.

## B. CMM Trading Right Fees

\$850 per month for first trading right.

\$500 per month for each additional trading right.

## C. Ports and Other Services

The below charges are assessed by GEMX for connectivity to GEMX.

A port is a logical connection or session that enables a market participant to send inbound messages and/or receive outbound messages from the Exchange using various communication protocols. Fees are assessed in full month increments and are not prorated.

(i) The following order and quote protocols are available on GEMX.

(1) <b>FIX Port Fee</b> <sup>2</sup>	\$650 per port, per month, per account number
(2) <b>SQF Port Fee</b> <sup>1</sup>	\$1,250 per port per month
(3) <b>SQF Purge Port Fee</b> <sup>1</sup>	\$1,250 per port per month
(4) <b>OTTO Port Fee</b> <sup>2</sup>	\$650 per port, per month, per account number

(ii) The following order and execution information is available to Members.

(1) <b>CTI Port Fee</b> <sup>2</sup>	\$650 per port, per month, per account number
(2) <b>FIX DROP Port Fee</b> <sup>2</sup>	\$650 per port, per month, per account number
(3) <b>TradeInfo GEMX Interface</b>	\$0 per user, per month

(iii) The following data ports fees apply in connection with data subscriptions pursuant to GEMX Rules at Chapter V. These ports are available to non-GEMX Members and GEMX Members.

(1) <b>Nasdaq GEMX Depth of Market Data Port</b>	\$0 per port, per month
(2) <b>Nasdaq GEMX Order Feed Port</b>	\$0 per port, per month
(3) <b>Nasdaq GEMX Top Quote Feed Port</b>	\$0 per port, per month
(4) <b>Nasdaq GEMX Trades Feed Port</b>	\$0 per port, per month

(iv) Other ports:

**Disaster Recovery Port Fee**<sup>2</sup> for ports in subsections (i) – (iii) \$50 per port, per month, per account number

<sup>1</sup>The SQF Port and the SQF Purge Port are subject to a monthly cap of \$17,500, which cap is applicable to Market Makers.

<sup>2</sup> OTTO Port, CTI Port, FIX Port, FIX Drop Port and Disaster Recovery Port are subject to a monthly cap of \$7,500.

**D. Reserved.**

**E. Reserved.**

**F. Reserved.**

**G. Reserved**

**H. Exchange Testing Facilities**

Subscribers to the Testing Facility located in Carteret, New Jersey shall pay a fee of \$1,000 per hand-off, per month for connection to the Testing Facility. The hand-off fee includes either a 1Gb or 10Gb switch port and a cross connect to the Testing Facility. Subscribers shall also pay a one-time installation fee of \$1,000 per handoff.

The connectivity provided under this rule also provides connectivity to the other markets of NASDAQ BX, Inc., Nasdaq PHLX LLC, The NASDAQ Stock Market LLC, Nasdaq MRX LLC, and Nasdaq ISE, LLC.

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# Nasdaq ISE/GEMX/MRX Rules, Regulation, V., Nasdaq ISE, GEMX & MRX, Market Data

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## A. Nasdaq GEMX Order Feed<sup>1</sup>

Internal Use Only.

\$750 per month per distributor.\* There are no controlled device fees for internal use.

External Redistribution.

\$750 per month per distributor. \$5 per month per external controlled device.\*\* Each distributor's combined maximum fee for external redistribution is capped at \$1,000 per month.

Internal and External Redistribution.

\$750 per month per distributor. \$5 per month per external controlled device. Each distributor's combined maximum fee for both internal and external redistribution is capped at \$1,000 per month.

\* A distributor is any firm that receives the Nasdaq GEMX Order Feed directly from Nasdaq GEMX or indirectly through a redistributor and then distributes it either internally or externally. A redistributor includes market data vendors and connectivity providers such as extranets and private network providers.

\*\* An external controlled device is any device that a distributor of the Nasdaq GEMX Order Feed permits an external user to access the information in the Nasdaq GEMX Order Feed.

## B. Nasdaq GEMX Top Quote Feed

Professional (internal use only).

\$1,000 per month per distributor.\* \$5 per month per controlled device.\*\* Each distributor's combined maximum fee for internal redistribution is capped at \$1,250 per month.

Professional (external redistribution).

\$1,000 per month per distributor. \$5 per month per controlled device. Each distributor's combined maximum fee for external redistribution is capped at \$1,500 per month.

Professional (internal and external redistribution).

\$1,000 per month per distributor. \$5 per month per controlled device. Each distributor's combined maximum fee for both internal and external redistribution is capped at \$1,500 per month.

Non-Professional (external redistribution through a controlled device).

\$1,000 per month per distributor. There are no monthly controlled device fees.

\* A distributor is any firm that receives the Nasdaq GEMX Top Quote Feed directly from Nasdaq GEMX or indirectly through a redistributor and then distributes it either internally or externally. A redistributor includes market data vendors and connectivity providers such as extranets and private network providers.

\*\* A controlled device is any device that a distributor of the Nasdaq GEMX Top Quote Feed permits to access the information in the Nasdaq GEMX Top Quote Feed.

## C. Nasdaq GEMX Real-time Depth of Market Raw Data Feed

Professionals (internal use only).

\$1,500 per month per distributor.\* \$10 per month per controlled device.\*\* Each distributor's combined maximum fee is capped at \$2,000 per month.

Professionals (external redistribution by distributor through a controlled device).

\$1,500 per month per distributor. \$10 per month per controlled device. Each distributor's combined maximum fee is capped at \$2,500 per month.

Non-Professional (external redistribution by distributor through a controlled device).

\$1,500 per month per distributor. \$1 per month per controlled device. Each distributor's combined maximum fee is capped at \$2,500 per month.

\* A distributor is any firm that receives the Nasdaq GEMX Real-time Depth of Market Raw Data Feed directly from Nasdaq GEMX or indirectly through a redistributor and then distributes it either internally or externally. A redistributor includes market data vendors and connectivity providers such as extranets and private network providers.

\*\* A controlled device is any device that a distributor of the Nasdaq GEMX Real-time Depth of Market Raw Data Feed permits to access the information in the Nasdaq GEMX Real-time Depth of Market Raw Data Feed.

#### **D. Nasdaq GEMX Open/Close End of Day Trade Profile**

Subscription - \$500 per month.

Ad-hoc requests (historical data) - \$400 per request per month. An ad-hoc request can be made for any number of months, beginning in August 2013, for which data is available.

#### **E. Nasdaq GEMX Open/Close Intraday Trade Profile**

Subscription - \$1,000 per month.

Ad-hoc requests (historical data) - \$750 per request per month. An ad-hoc request can be made for any number of months, beginning in August 2013, for which data is available.

#### **H. Nasdaq GEMX Trade Feed**

\$500 per month for unlimited internal and/or external distribution of GEMX Trade Feed.

Amended September 1, 2017 (SR-GEMX-2017-42); amended September 15, 2017 (SR-GEMX-2017-40).

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