

Nasdaq ISE/GEMX/MRX Rules, PREFACE

[Click to open document in a browser](#)

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 calendar (60) days after receipt of a billing invoice.

For purposes of assessing fees, the following references should serve as guidance. Terms not defined in this Schedule of Fees shall have the meaning ascribed to them under Nasdaq MRX Rules. 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 MRX Rule 100(a)(37A).

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

A "**Market Maker**" is a market maker as defined in Nasdaq MRX Rule 100(a)(30).

A "**Non-Nasdaq MRX 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.

An "**Affiliated Member**" is a Member that shares at least 75% common ownership with a particular Member as reflected on the Member's Form BD, Schedule A.

An "**Appointed Market Maker**" is a Market Maker who has been appointed by an Electronic Access Member pursuant to Section I, Table 3.

An "**Appointed Order Flow Provider**" is an Electronic Access Member who has been appointed by a Market Maker pursuant to Section I, Table 3.

An "**Appointed Member**" is either an Appointed Market Maker or Appointed Order Flow Provider.

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 MRX Rule 1901. For all Flash Orders, the Exchange will charge the applicable maker fee and for responses that trade against a Flash Order, the Exchange will provide the applicable taker fee.

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 ("PIM") or submitted as a Qualified Contingent Cross order. For purposes of this Schedule of Fees, 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 MRX that are in the Penny Pilot Program. The current list of Nasdaq MRX-listed Penny Pilot Program symbols is available at http://www.ise.com/assets/files/products/productstraded/options_product_equityDownload.csv

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

Copyright 2018, International Securities Exchange Holdings, Inc. All rights reserved.

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

[Click to open document in a browser](#)

Table 1

Penny Symbols

Market Participant	Maker Fee Tier 1	Maker Fee Tier 2	Taker Fee Tier 1	Taker Fee Tier 2
Market Maker ⁽¹⁾	\$0.20	\$0.00	\$0.50 ⁽²⁾	\$0.50 ⁽²⁾
Non-Nasdaq MRX Market Maker (FarMM)	\$0.47	\$0.47	\$0.50	\$0.50
Firm Proprietary / Broker-Dealer	\$0.47	\$0.47	\$0.50	\$0.50
Professional Customer	\$0.47	\$0.47	\$0.50	\$0.50
Priority Customer	\$0.00	\$0.00	\$0.00	\$0.00

Non-Penny Symbols

Market Participant	Maker Fee Tier 1	Maker Fee Tier 2	Taker Fee Tier 1	Taker Fee Tier 2
Market Maker ⁽¹⁾	\$0.20	\$0.00	\$0.90 ⁽²⁾	\$0.90 ⁽²⁾
Non-Nasdaq MRX Market Maker (FarMM)	\$0.90	\$0.90	\$0.90	\$0.90
Firm Proprietary / Broker-Dealer	\$0.90	\$0.90	\$0.90	\$0.90
Professional Customer	\$0.90	\$0.90	\$0.90	\$0.90
Priority Customer	\$0.00	\$0.00	\$0.00	\$0.00

1. This fee also applies to Market Maker orders sent to the Exchange by Electronic Access Members.

2. A taker fee of \$0.05 per contract applies instead when trading with Priority Customer orders entered by an Affiliated Member or Appointed Member if the Member has a Total Affiliated and/or Appointed Priority Customer ADV of 5,000 contracts or more. A taker fee of \$0.00 per contract applies instead when trading with Priority Customer orders entered by an Affiliated Member or Appointed Member if the Member has a Total Affiliated and/or Appointed Priority Customer ADV of 50,000 contracts or more.

Table 2

Penny Symbols

Market Participant	Fee for Crossing Orders⁽¹⁾	Fee for Responses to Crossing Orders
Market Maker ⁽⁴⁾	\$0.20	\$0.50
Non-Nasdaq MRX Market Maker (FarMM)	\$0.20	\$0.50
Firm Proprietary / Broker-Dealer	\$0.20	\$0.50
Professional Customer	\$0.20	\$0.50
Priority Customer	\$0.00	\$0.50

Non-Penny Symbols

Market Participant	Fee for Crossing Orders⁽¹⁾	Fee for Responses to Crossing Orders
Market Maker ⁽⁴⁾	\$0.20	\$0.95
Non-Nasdaq MRX Market	\$0.20	\$0.95

Maker (FarMM)		
Firm Proprietary / Broker-Dealer	\$0.20	\$0.95
Professional Customer	\$0.20	\$0.95
Priority Customer	\$0.00	\$0.95

1. Fees apply to the originating and contra orders.
2. Reserved.
3. Reserved.
4. This fee also applies to Market Maker orders sent to the Exchange by Electronic Access Members.

Table 3

Qualifying Tier Thresholds

Tier	Total Affiliated and/or Appointed Member ADV
Tier 1	0-49,999
Tier 2	50,000 or more

- 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 applies retroactively in a given month to all eligible traded contracts and applies to all eligible market participants.
- Total Affiliated and/or Appointed Priority Customer ADV means all Priority Customer ADV executed on the Exchange in all symbols and order types, including volume executed by Affiliated Members and/or Appointed Members, which will be aggregated with the Member's volume in the manner described below.
- Total Affiliated and/or Appointed Member ADV means all ADV executed on the Exchange in all symbols and order types, including volume executed by Affiliated Members and/or Appointed Members, which will be aggregated with the Member's volume in the manner described below.
- All eligible volume from Affiliated Members will be aggregated in determining applicable tiers.
- All eligible volume from an Appointed Order Flow Provider will be aggregated with its designated Appointed Market Maker's eligible volume in determining the Appointed Market Maker's applicable tiers, provided the Appointed Market Maker is designated by the Appointed Order Flow Provider in accordance with the below instructions.
- An Appointed Market Maker is eligible to receive and aggregate volume credit from both their Affiliated Members and their Appointed Order Flow Provider.
- An Appointed Order Flow Provider will not receive volume credit from its Appointed Market Maker or the Appointed Market Maker's Affiliated Members in determining its applicable tiers.
- Designating an Appointed Market Maker / Appointed Order Flow Provider: A Market Maker appoints an Electronic Access Member as its Appointed Order Flow Provider and an Electronic Access Member appoints a Market Maker as its Appointed Market Maker, for the purposes of the Schedule of Fees, by each sending an email to sales@nasdaq.com. These corresponding emails will be viewed as acceptance of the appointment.
- The Exchange will recognize one such designation for each party. A party may make a designation not

more than once every 6 months, which designation shall remain in effect until the Exchange receives an email from either party indicating that the appointment has been terminated.

Copyright 2018, International Securities Exchange Holdings, Inc. All rights reserved.

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

[Click to open document in a browser](#)

A. Route-Out Fees¹

Market Participant	Penny Symbols	Non-Penny Symbols
All Market Participants	\$0.55	\$1.09

¹ 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. Marketing Fee

Market Participant	Penny Symbols	Non-Penny Symbols
Market Maker	\$0.25	\$0.70

- ▶ Marketing fees apply to Market Makers for each Regular Priority Customer contract executed except as noted below.
- ▶ Marketing fees are waived for Flash Order responses.
- ▶ Marketing fees are waived for Market Maker orders that take liquidity from the order book.
- ▶ Marketing fees are waived for Crossing Orders and Responses to Crossing Orders.
- ▶ The marketing fee will be rebated proportionately to the Members that paid the fee such that on a monthly basis the marketing fee fund balance administered by a Primary Market Maker for a Group of options established under [Rule 802\(b\)](#) does not exceed \$100,000 and the marketing fee fund balance administered by a preferenced Competitive Market Maker for such a Group does not exceed \$100,000. A preferenced Competitive Market Maker that elects not to administer a fund will not be charged the marketing fee. The Exchange assesses an administrative fee of .45% on the total amount of the funds collected each month.

Copyright 2018, International Securities Exchange Holdings, Inc. All rights reserved.

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

[Click to open document in a browser](#)

A. 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:

\$27.75—Initial Submission (Electronic)

\$42.75—Initial Submission (Paper)

\$15.00—Second Submission (Electronic)

\$30.00—Second Submission (Paper)

\$27.75—Third Submission (Electronic)

\$42.75—Third Submission (Paper)

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

Copyright 2018, International Securities Exchange Holdings, Inc. All rights reserved.

Nasdaq ISE/GEMX/MRX Rules, Regulation, IV., Nasdaq ISE, GEMX & MRX, Ports and Other Services

[Click to open document in a browser](#)

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

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 MRX.

- | | |
|-------------------------------|------------------------|
| (1) FIX Port Fee | \$0 per port per month |
| (2) SQF Port Fee | \$0 per port per month |
| (3) SQF Purge Port Fee | \$0 per port per month |
| (4) OTTO Port Fee | \$0 per port per month |

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

- | | |
|------------------------------------|------------------------|
| (1) CTI Port Fee | \$0 per port per month |
| (2) FIX DROP Port Fee | \$0 per port per month |
| (3) TradeInfo MRX Interface | \$0 per port per month |

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

- | | |
|-------------------------------------------------|-------------------------|
| (1) Nasdaq MRX Depth of Market Data Port | \$0 per port, per month |
| (2) Nasdaq MRX Order Feed Port | \$0 per port, per month |
| (3) Nasdaq MRX Top Quote Feed Port | \$0 per port, per month |
| (4) Nasdaq MRX Trades Feed Port | \$0 per port, per month |

(iv) Other ports:

Disaster Recovery Port Fee for ports in subsections (i) – (iii)	\$0 per port, per month
------------------------------------------------------------------------	-------------------------

Copyright 2018, International Securities Exchange Holdings, Inc. All rights reserved.

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

[Click to open document in a browser](#)

- (1) **Nasdaq MRX Depth of Market Data** \$0 per month
- (2) **Nasdaq MRX Order Feed** \$0 per month
- (3) **Nasdaq MRX Top Quote Feed** \$0 per month
- (4) **Nasdaq MRX Trades Feed** \$0 per month

Copyright 2018, International Securities Exchange Holdings, Inc. All rights reserved.

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

[Click to open document in a browser](#)

A. Reserved

B. Reserved

C. Reserved

D. Reserved

E. 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 ISE LLC, and Nasdaq GEMX LLC.

Copyright 2018, International Securities Exchange Holdings, Inc. All rights reserved.