

# Nasdaq Closing Cross Enhancements

Committed to Continuous Investment and Innovation

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## Overview

Nasdaq is committed to continuously investing in and innovating the Closing Cross as part of our responsibility to provide a robust price discovery process at the Close for all market participants. As part of our commitment to the market and our clients, we are making enhancements to the Closing Cross that are designed to provide:

- Improved efficiency, transparency and price formation.
- Additional liquidity and the best opportunity to get the best price at the Close.
- Rewards for institutional broker dealers for committing liquidity to the market with additional time for price discovery.

## Enhancements

Launching in the third quarter of 2017, Limit on Close (LOC) orders will be permitted to be entered up until 3:55 p.m. (pending regulatory approval). A LOC order entered between 3:50 – 3:55 p.m. will be accepted at its limit price, unless its limit price is more aggressive than the 3:50 p.m. Reference Price, in which case the LOC order will be re-priced to the 3:50 p.m. Reference Price. The re-pricing of orders is being done to promote pricing stability and prevent the imbalance from flipping.

## New Closing Timeline

### 4:00 a.m.

Nasdaq begins accepting Market On Close (MOC), Limit on Close (LOC), and Imbalance Only (IO) orders.

- Entered orders may be canceled and/or modified.

### 3:50 p.m.

Nasdaq begins disseminating closing order imbalance information and indicative closing price.

- MOC orders cannot be entered, canceled or modified.
- LOC orders cannot be canceled or modified.
- Both buy and sell LOC orders are accepted, regardless of the side of the imbalance.
- LOC orders will be accepted up until 3:55 p.m.
- A LOC order entered between 3:50 – 3:55 p.m. will be accepted at its limit price, unless its limit price is more aggressive than the 3:50 p.m. Reference Price, in which case the LOC order will be re-priced to the 3:50 p.m. Reference Price.
- LOC orders, regardless of TIF, cannot be entered after 3:55 p.m.
- IO orders may be entered up until the time of the Nasdaq Closing Cross, but may not be canceled or modified.
- If no auction eligible orders are matched at the time of the NOII dissemination, LOC orders will not be accepted.

### 4:00 p.m.

Nasdaq Closing Cross occurs.

- The Nasdaq closing book and the Nasdaq continuous book are brought together to create a single Nasdaq closing price.

## More Information

### NASDAQ MARKET SALES

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