

# Market Maker PEG Order

The Nasdaq Stock Market<sup>®</sup>, Nasdaq BX<sup>SM\*</sup> and Nasdaq PSX<sup>SM</sup> offer a Market Maker Peg Order (MM Peg) type to help Market Makers meet their quoting obligations under Rule 4613(a). With functionality similar to Nasdaq's other pegged order types, the MM Peg allows Market Makers to maintain attributable quotes within the thresholds set forth in Rule 4613(a) even as market prices fluctuate\*\*.

## KEY ATTRIBUTES /

- Available to Market Makers on all three Nasdaq Equity markets
- Always displayed and attributable
- Must have a limit price
- One-sided
- Not routable
- Must be submitted through FIX, RASH or QIX
- Automatically repriced with changes in market prices
- Upon execution, Market Makers must submit a new Market Maker Peg order to maintain their quote. The order will not be automatically re-entered by Nasdaq
- A new timestamp and orderID are created upon repricing
- When both the NBBO and last sale is unavailable, the order will be cancelled or rejected

## FUNCTIONALITY /

### PRICING UPON ENTRY

MM Peg orders are priced at the level required by Rule 4613(a) based on the then prevailing NBBO, or if unavailable, the SIP reported last sale. Members may optionally specify a more aggressive threshold by specifying an NBBO offset in \$ 0.01 increments.

### REPRICING MM Peg without Offset

Upon reaching the Defined Limit\*\*\*, the price of an MM Peg Order bid or offer will be adjusted by the system to the Designated Percentage away from the then current NBBO, or if unavailable, the last sale.

### REPRICING MM Peg with Offset

If an MM Peg order is submitted with an offset that is within the Defined Limit, the order will be adjusted by the system to that offset each time a new National Best Bid or National Best Offer is established. If the offset specified places the order outside of the order's Limit Price, the order will be canceled or rejected

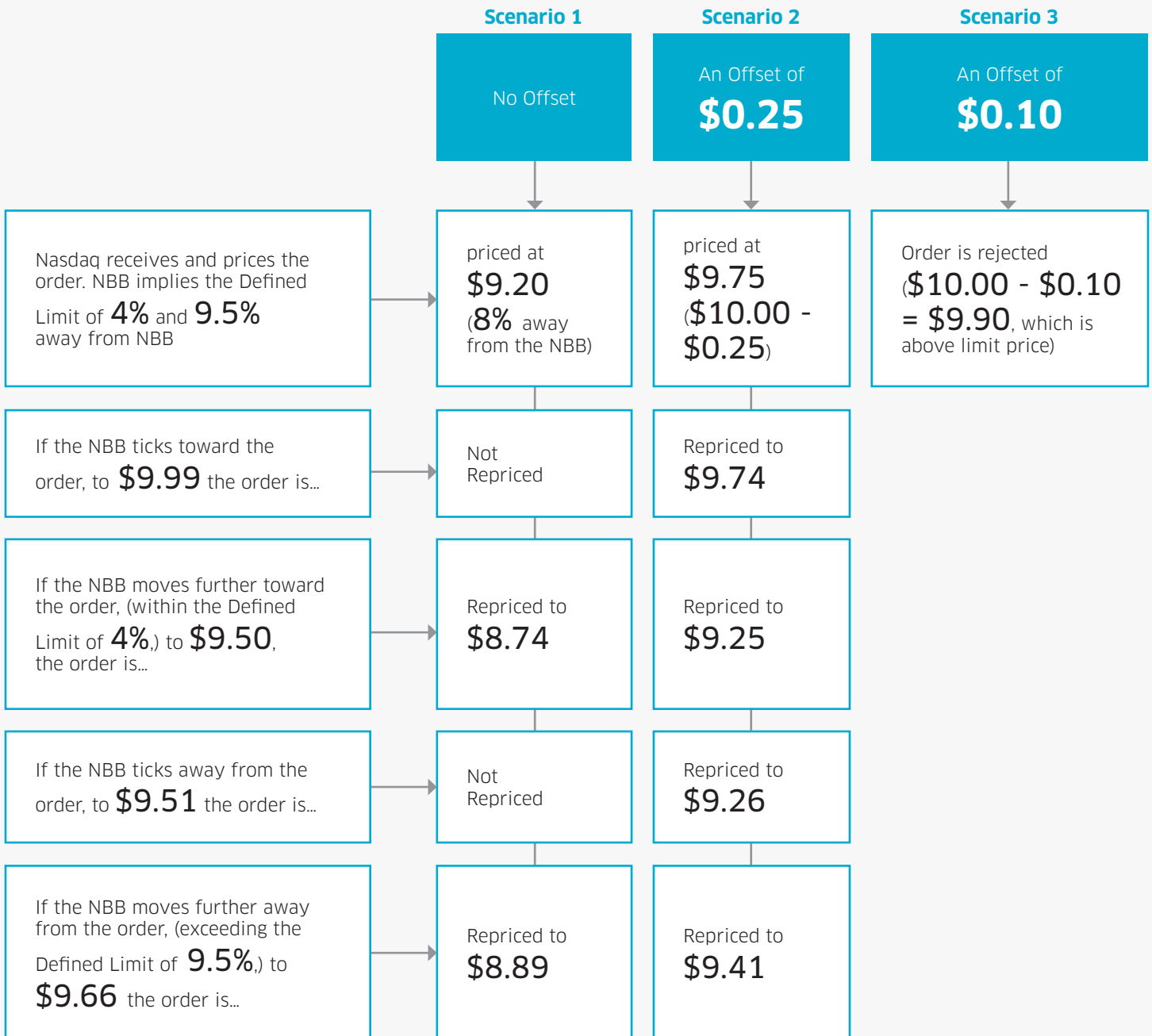
\* Pending effectiveness of a filing with SEC.

\*\* A Market Maker is solely responsible for entering, monitoring, and resubmitting, as applicable, quotations that meet the requirements of Rule 4613 and all other Exchange rules and applicable securities laws.

\*\*\* Defined Limit and Designated Percentage are defined in Rule 4613(a)

## EXAMPLE /

The National Best Bid (NBB) for an S&P 500 component is \$10.00. If a Member submits an MM Peg Order to buy with a limit price of \$9.85 and:



## MORE INFORMATION

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