The Nasdaq Options Market System Settings

Hours of Operation

7:30 a.m. ET – System begins accepting orders.

9:25 a.m. ET – System begins accepting quotes that can be considered for the opening process; disseminating imbalance and price information for the opening auction.

9:30 a.m. ET – System begins executing orders.

4:00 p.m. ET – System stops accepting and executing equity options orders.

4:15 p.m. ET – System stops accepting and executing ETF and Index Options orders.

Maximum Order Size

Maximum order/quote size: 999,999

Order Exposure

Firms must expose customer orders for **one second** before trading against them, as described in The Nasdaq Stock Market rules.

Opening Cross

NOM will open an option for trading after 9:30 a.m. in a given symbol if the Primary Listing Market for the Underlying Security has quoted or traded.

- **Opening Valid Width NBBO Differentials Table** – The table of values defined as an acceptable bid/ask differential in order to establish a "Valid Width NBBO." *Sec.8(a)(6)*

Non-Penny Issues:

Option Price	Maximum bid/ask differential	LEAPS Maximum bid/ask differential
0-1.00	0.50	1.20
1.01-2.00	0.50	1.40
2.01-3.00	0.80	1.80
3.01-5.00	0.80	2.00
5.01-7.00	1.00	2.50
7.01-10.00	1.00	3.00
10.01-20.00	1.60	3.50

Option Price	Maximum bid/ask differential	LEAPS Maximum bid/ask differential
20.01-30.00	2.00	4.50
30.01-40.00	2.00	4.50
40.01+	2.25	5.00

Standard Penny Issues (excluding SPY/IWM/QQQ):

Option Price	Maximum bid/ask differential	LEAPS Maximum bid/ask
0-1.00	0.20	0.50
1.01-2.00	0.22	0.60
2.01-3.00	0.25	0.70
3.01-5.00	0.30	0.80
5.01-7.00	0.40	1.00
7.01-10.00	0.50	1.30
10.01-15.00	0.60	1.50
15.01-20.00	0.80	2.00
20.01-30.00	1.20	3.00
30.01-40.00	1.60	4.00
40.01+	2.00	5.00

Special Penny Issues (SPY/IWM/QQQ):

Option Price	Maximum bid/ask differential	LEAPS Maximum bid/ask
0-0.40	0.10	0.30
0.41-1.00	0.15	0.50
1.01-2.00	0.18	0.60
2.01-3.00	0.20	0.70
3.01-5.00	0.25	0.80
5.01-7.00	0.30	1.00
7.01-10.00	0.45	1.50
10.01-15.00	0.60	2.00
15.01-20.00	0.80	2.50
20.01-30.00	1.00	3.50
30.01-40.00	1.20	4.00
40.01+	1.60	5.00

- **Order Imbalance Indicator Timer** – 5 seconds – Dissemination interval of Opening Order Imbalance messages. Dissemination begins at 9:25 a.m. ET. *Sec.8(b)(3)*
- **Opening Cross Range Table** – The table of values added to the Valid Width NBBO offer and subtracted from the Valid Width NBBO bid to establish NOM's maximum Opening Cross Range. *Sec.8(b)(4)(A)*

Non-Penny Issues (S):

Quoted Option Price	ATR	LEAPS ATR
0-1.00	0.10	0.20
1.01-2.00	0.15	0.25
2.01-3.00	0.20	0.30
3.01-5.00	0.30	0.45
5.01-7.00	0.40	0.60
7.01-10.00	0.50	0.75
10.01-15.00	0.60	0.90
15.01-20.00	0.60	0.90
20.01-30.00	0.80	1.20
30.01+	1.00	1.50

Standard Penny Issues (P):

Quoted Option Price	ATR	LEAPS ATR
0-1.00	0.07	0.14
1.01-2.00	0.10	0.20
2.01-3.00	0.15	0.30
3.01-5.00	0.20	0.40
5.01-7.00	0.25	0.50
7.01-10.00	0.30	0.60
10.01-15.00	0.50	0.75
15.01-20.00	0.60	0.90
20.01-30.00	0.80	1.20
30.01+	1.00	1.50

Special Penny Issues (E) (SPY/IWM/QQQ):

Quoted Option Price	ATR	LEAPS ATR
0-1.00	0.05	0.10
1.01-2.00	0.07	0.14
2.01-3.00	0.07	0.14
3.01-5.00	0.10	0.20
5.01-7.00	0.15	0.30
7.01-10.00	0.20	0.40
10.01-15.00	0.30	0.45
15.01-20.00	0.40	0.60
20.01-30.00	0.50	0.75
30.01-40.00	0.60	0.90
40.01+	0.80	1.20

- **Number of Away Exchanges Required to be Open if Valid Width NBBO not Present** – 2 – Number of away exchanges which must be open for NOM to open without a Valid Width NBBO being present. *Sec.8(b)(2)*
- **Forcing Opening Cross** – 9:45am – Time, provided the primary underlying has opened, when NOM will open when no trade is possible, a Valid Width NBBO is not present, and the required number of away exchanges have not opened. *Sec.8(b)(2)*
- **Opening Order Cancel Timer** – 30 seconds – Period of time after the primary market underlying has opened and NOM has not initiated an Opening Cross, at which all non-GTC orders submitted over FIX in the affected option will be cancelled back to the sending firm. This feature is optional to participants and is engaged at the firm mnemonic level. *Sec.8(c)(2)*

Routing

- **Route Timer** – 1 second – After an order is initially routed, the amount of time the system will allow participants to interact with a SEEK or SRCH order before the order is re-routed to an away market. *Sec.11(a)(C)*

Acceptable Trade Range Protection

NOM uses Acceptable Trade Range Protection (ATR) to automatically set dynamic boundaries that limit the prices at which an order can execute. If an order's price is through a boundary price, the order will execute at prices at or within the boundary price. If the order is not fully executed at those prices, it will post at the boundary price for a short period of time to allow the market to refresh before continuing to execute at more aggressive prices. The posted order is available for execution at the boundary price during this short refresh period.

- **Acceptable Trade Range (ATR) Posting Period** – 200 milliseconds - Amount of time an order or quote will be posted at the boundary price of an ATR to allow the market to refresh before continuing to execute at more aggressive prices. *Sec.10(7)(B)*
- **Acceptable Range Table** – The table of values added or subtracted from the reference price to establish NOM's Acceptable Range for executions of remaining contracts from an initiating quote or order. *Sec.10(7)(A)*

Non-Penny Issues (S):

Quoted Option Price	ATR	LEAPS ATR
0-1.00	0.10	0.20
1.01-2.00	0.15	0.25
2.01-3.00	0.20	0.30
3.01-5.00	0.30	0.45
5.01-7.00	0.40	0.60
7.01-10.00	0.50	0.75
10.01-15.00	0.60	0.90
15.01-20.00	0.60	0.90
20.01-30.00	0.80	1.20
30.01+	1.00	1.50

Standard Penny Issues (P):

Quoted Option Price	ATR	LEAPS ATR
0-1.00	0.07	0.14
1.01-2.00	0.10	0.20
2.01-3.00	0.15	0.30
3.01-5.00	0.20	0.40
5.01-7.00	0.25	0.50
7.01-10.00	0.30	0.60
10.01-15.00	0.50	0.75
15.01-20.00	0.60	0.90
20.01-30.00	0.80	1.20
30.01+	1.00	1.50

Special Penny Issues (E) (SPY/IWM/QQQ):

Quoted Option Price	ATR	LEAPS ATR
0-1.00	0.05	0.10
1.01-2.00	0.07	0.14
2.01-3.00	0.07	0.14
3.01-5.00	0.10	0.20
5.01-7.00	0.15	0.30
7.01-10.00	0.20	0.40
10.01-15.00	0.30	0.45
15.01-20.00	0.40	0.60
20.01-30.00	0.50	0.75
30.01-40.00	0.60	0.90
40.01+	0.80	1.20

- **Iterations of ATR** – 5 iterations – Number of iterations that ATR may occur before an aggressively priced order or quote will be cancelled back to the sending participant. *Sec.10(7)(B)*
- **Order Price Protection** – Incoming limit orders will be rejected when priced through the contra-side BBO (NBBO and internal market BBO) by more than the greater of:
  - 50% when the contra side BBO is greater than $1.00
  - 100% when the contra side BBO is $1.00 or less, and
  - $0.05 (Chapter IV, Sec. 18)
- **Market Order Cancel Timer** - 4 Seconds – Participants can designate that their Market Orders not executed after this pre-established period of time to be cancelled, once an option series has opened for trading
- **Market Order Spread Protection** - $5.00 – Maximum bid/ask differential permissible for a Market Order to be accepted by the trading system; if the bid/ask differential is wider than $5.00, a Market Order submitted into the system will be rejected. All symbols are configured at 5.00, with the following exceptions:

Symbol	Width
AZO	$20.00
BIO	$20.00
BKNG	$22.00
BLK	$20.00
CHE	$20.00
CHTR	$20.00
CMG	$20.00
EQIX	$20.00
ISRG	$20.00
LMT	$20.00
MELI	$20.00
MKL	$22.00
MTD	$20.00
NDX	$100.00
NOC	$20.00
ORLY	$20.00
REGN	$20.00
ROP	$20.00
SIVB	$20.00
TDG	$20.00
TSLA	$20.00
Y	$20.00

- **Message Traffic Mitigation** - The exchange shall disseminate an updated bid and offer price together with the associated size to OPRA when the bid or offer price changes, the quantity decreases or the quantity increases by an amount greater than or equal to 10%. *Options 3, Section 26*

For more information, contact U.S. Market Sales at +1 800 846 0477 (Option #2).