

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-77283; File No. SR-Phlx-2016-30)

March 3, 2016

Self-Regulatory Organizations; NASDAQ PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Pricing Schedule

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 26, 2016, NASDAQ PHLX LLC (“Phlx” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the Exchange’s Pricing Schedule to update the Pricing Schedule in various ways, (1) remove unnecessary rule text and footnotes; (2) update names of Nasdaq exchanges to reflect a recent name change; (3) update the current definitions to add detail and rearrange rule text; and (4) rename the Payment for Order Flow Fee.

The text of the proposed rule change is available on the Exchange’s Website at <http://nasdaqomxphlx.cchwallstreet.com/>, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to update its Pricing Schedule in various ways, which are explained below, to clarify its pricing. The Exchange proposes to specifically (1) remove unnecessary rule text and footnotes; (2) update names of the Exchange to reflect a recent name change; (3) update the current definitions to add detail and rearrange rule text; and (4) rename the Payment of Order Flow Fee.

Remove Unnecessary Rule Text and Footnotes

The Exchange proposes to remove unnecessary footnote numbers throughout the Pricing Schedule. The rule text contained within the footnotes will remain in the Pricing Schedule, the actual footnote numbers are being removed because the Exchange believes they are distracting and do not add clarity to the Pricing Schedule.

The Exchange also proposes to remove the references to SOX, HGX and OSX in Section II of the Pricing Schedule, titled "Multiply Listed Options Fees," because these symbols are currently only listed on Phlx and there is no confusion that they are Singly Listed symbols. These symbols were previously listed on The NASDAQ Options Market, LLC for some time, but this is no longer the case. SOX, HGX and OSX will continue to be subject to Section III pricing. The Exchange is also removing references to XDM, XEH, XEV and XDV in Section III, titled "Singly Listed Options," as the Exchange no longer lists options overlying these securities. These rule changes are non-substantive.

Name Changes

The Exchange's name was recently updated³ from "NASDAQ OMX PHLX LLC" to "NASDAQ PHLX LLC." The Exchange is amending its name in the Pricing Schedule along with references to "NASDAQ OMX PSX," changing it to "NASDAQ PSX," and NASDAQ OMX BX, Inc.'s name will be changed to NASDAQ BX, Inc.⁴ The Exchange proposes to update these names within the Pricing Schedule. The Exchange proposes to remove all references to "OMX" within the Pricing Schedule. These rule changes are non-substantive.

Definitions

The Exchange proposes to relocate rule text currently located within the footnotes to the text of certain definitions so the Exchange may consolidate information. These rule changes are non-substantive.

Rename Payment for Order Flow as Marketing Fee

The Exchange is proposing to rename the "Payment for Order Flow" Fee or "PFOF" as the "Marketing Fee." The Exchange believes that this reference to this fee is more appropriate. This rule change is non-substantive.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act⁵ in general, and furthers the objectives of Section 6(b)(5) of the Act⁶ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect

³ See Securities Exchange Act Release No. 76654 (December 15, 2015), 80 FR 79396 (December 21, 2015) (SR-Phlx-2015-105).

⁴ See Securities Exchange Act Release No. 76656 (December 15, 2015), 80 FR 79381 (December 21, 2015) (SR-BX-2015-080).

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest, by bringing additional clarity to the Exchange's rules regarding pricing.

Remove Unnecessary Rule Text and Footnotes

The Exchange's proposal to remove unnecessary footnote numbers throughout the Pricing Schedule will bring clarity to the Pricing Schedule. The Exchange believes that removing the actual numbers, while retaining the rule text, will remove these distracting footnotes and make the Pricing Schedule easier to read. Also, the Exchange proposes to remove the references to SOX, HGX and OSX in Section II, titled "Multiply Listed Options Fees," of the Pricing Schedule. This change is consistent with the Act and the protection of investors because these symbols are currently only listed on Phlx and there is no confusion that they are Singly Listed symbols. These symbols were listed on The NASDAQ Options Market, LLC for some time, but this is no longer the case. The Exchange's proposal to remove references to XDM, XEH, XEV and XDV in Section III, titled "Singly Listed Options," is consistent with the Act because the Exchange no longer lists options overlying these securities and removing these references will bring clarity to the Pricing Schedule. The Exchange believes that these rule changes are consistent with the Act because they protect investors and the public interest by clarifying rules.

Name Changes

The Exchange's proposal to update the Exchange's name, the references to PSX and NASDAQ BX and remove all references to "OMX" will also clarify the Pricing Schedule by using the proper updated names. The Exchange believes that these rule changes are consistent

with the Act because they protect investors and the public interest by clarifying its rules. These rule changes are non-substantive.

Definitions

The Exchange's proposal to relocate rule text within the footnotes will provide members with consolidated information in one place on the Pricing Schedule. The Exchange believes that these rule changes are consistent with the Act because they protect investors and the public interest by clarifying its rules. The Exchange is not altering the definitions; these changes are non-substantive.

Rename Payment for Order Flow as Marketing Fee

The Exchange's proposal to rename "Payment for Order Flow" Fee or "PFOF" as the "Marketing Fee" is consistent with the Act because this non-substantive change will not impact pricing and is simply a name change.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

Remove Unnecessary Rule Text and Footnotes

The Exchange's proposal to remove unnecessary footnotes throughout the Pricing Schedule, remove the references to SOX, HGX and OSX in Section II and remove references to XDM, XEH, XEV and XDV in Section III are non-substantive rule changes which will not impose an undue burden on competition.

Name Changes

The Exchange's proposal to update the Exchange's name, the references to PSX and NASDAQ BX and remove references to "OMX" are non-substantive rule changes which will not impose an undue burden on competition.

Definitions

The Exchange's proposal to relocate rule text currently located within the footnotes will provide members with consolidated information in one place on the Pricing Schedule. The relocation of the rule text is a non-substantive rule change which will not impose an undue burden on competition.

Rename Payment for Order Flow as Marketing Fee

The Exchange's proposal to rename "Payment for Order Flow" or "PFOF" as "Marketing Fee" is a non-substantive rule change which will not impose an undue burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act⁷ and subparagraph (f)(6) of Rule 19b-4 thereunder.⁸

⁷ 15 U.S.C. § 78s(b)(3)(a)(iii).

⁸ 17 C.F.R. § 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change,

The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange has stated that it is requesting this waiver because the Exchange would like to update its Pricing Schedule immediately to reflect these non-substantive changes and avoid investor confusion. The Exchange believes that it is important to immediately update its Pricing Schedule to reflect current proposed rule changes to that document. Also, the Exchange believes that the amendments will bring clarity to the Pricing Schedule. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because this waiver will enable the Exchange to update its Pricing Schedule immediately with these non-substantive changes and thereby make the Pricing Schedule clearer for investors, avoiding potential points of confusion. For this reason, the Commission hereby waives the 30-day operative delay requirement and designates the proposed rule change as operative upon filing.⁹

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

⁹ For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-Phlx-2016-30 on the subject line.

Paper comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-Phlx-2016-30. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the

Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-Phlx-2016-30, and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁰

Robert W. Errett
Deputy Secretary

¹⁰ 17 CFR 200.30-3(a)(12).