

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="22"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2017"/> - * <input type="text" value="051"/>	Amendment No. (req. for Amendments *) <input type="text"/>
---	--	---	--

Filing by **NASDAQ BX, Inc.**  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
Section 3C(b)(2) * <input type="checkbox"/>	

Exhibit 2 Sent As Paper Document <input checked="" type="checkbox"/>	Exhibit 3 Sent As Paper Document <input checked="" type="checkbox"/>
--	--

**Description**

Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).

A proposal to amend the Exchange Options Pricing at Chapter XV, Section 2, entitled BX Options Market Fees and Rebates

**Contact Information**

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * <input type="text" value="Sun"/>	Last Name * <input type="text" value="Kim"/>
Title * <input type="text" value="Assistant General Counsel"/>	
E-mail * <input type="text" value="sun.kim@nasdaq.com"/>	
Telephone * <input type="text" value="(212) 231-5106"/>	Fax <input type="text"/>

**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title \*)

Date <input type="text" value="11/01/2017"/>	Executive Vice President and General Counsel
By <input type="text" value="Edward S. Knight"/>	<input type="text"/>
(Name *)	

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

**Form 19b-4 Information \***

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change \***

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies \***

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

Add Remove View

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

Add Remove View

Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

Add Remove View

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) Nasdaq BX, Inc. (“BX” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to amend the Exchange’s Options Pricing at Chapter XV, Section 2, entitled “BX Options Market—Fees and Rebates,” which governs pricing for BX members using the BX Options Market (“BX Options”). The Exchange proposes to modify certain fees for transactions in options overlying Select Symbols,<sup>3</sup> as further discussed below.

A notice of the proposed rule change for publication in the Federal Register is attached as Exhibit 1. The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors (the “Board”) on September 19, 2017. Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

Questions and comments on the proposed rule change may be directed to:

---

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> The following are Select Symbols: ASHR, DIA, DXJ, EEM, EFA, EWJ, EWT, EWW, EWY, EWZ, FAS, FAZ, FXE, FXI, FXP, GDX, GLD, HYG, IWM, IYR, KRE, OIH, QID, QLD, QQQ, RSX, SDS, SKF, SLV, SRS, SSO, TBT, TLT, TNA, TZA, UNG, URE, USO, UUP, UVXY, UYG, VXX, XHB, XLB, XLE, XLF, XLI, XLK, XLP, XLU, XLV, XLY, XME, XOP, XRT. See Chapter XV, Section 2(1).

Sun Kim  
Assistant General Counsel  
Nasdaq, Inc.  
212-231-5106

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

a. Purpose

The Exchange proposes to amend Chapter XV, Section 2(1), which includes pricing for transactions in Select Symbol options, to increase the Firm<sup>4</sup> fee to add liquidity and fee to remove liquidity in Select Symbols. Select Symbols represent some of the highest volume Penny Pilot options traded on the Exchange and in the industry. The fees and rebates applicable to Select Symbol options in Chapter XV, Section 2(1) are designed to attract more order flow to BX Options, particularly in these high volume symbols, and apply to Customers,<sup>5</sup> BX Options Market Makers,<sup>6</sup> Non-Customers<sup>7</sup> and Firms as follows:

(1) Fees for Execution of Contracts on the BX Options Market:

---

<sup>4</sup> The term "Firm" or ("F") applies to any transaction that is identified by a Participant for clearing in the Firm range at OCC. See Chapter XV.

<sup>5</sup> The term "Customer" or ("C") applies to any transaction that is identified by a Participant for clearing in the Customer range at OCC which is not for the account of broker or dealer or for the account of a "Professional" (as that term is defined in Chapter I, Section 1(a)(48)). See Chapter XV.

<sup>6</sup> The term "BX Options Market Maker" or ("M") is a Participant that has registered as a Market Maker on BX Options pursuant to Chapter VII, Section 2, and must also remain in good standing pursuant to Chapter VII, Section 4. In order to receive Market Maker pricing in all securities, the Participant must be registered as a BX Options Market Maker in at least one security. See Chapter XV.

<sup>7</sup> As set forth in note 1 to Chapter XV, Section 2(1), a Non-Customer includes a Professional, Broker-Dealer and Non-BX Options Market Maker.

\* \* \* \* \*

Select Symbols Options Tier Schedule

		<b>Rebate to Add Liquidity</b>	<b>Fee to Add Liquidity</b>	<b>Rebate to Remove Liquidity</b>	<b>Fee to Remove Liquidity</b>	<b>Fee to Add Liquidity</b>
	<b>When:</b>	<b>Customer</b>	<b>BX Options Market Maker</b>	<b>Customer</b>	<b>BX Options Market Maker</b>	<b>BX Options Market Maker</b>
	<b>Trading with:</b>	<b>Non-Customer or BX Options Market Maker, or Firm</b>	<b>Customer</b>	<b>Non-Customer, BX Options Market Maker, Customer, or Firm</b>	<b>Customer</b>	<b>Non-Customer or BX Options Market Maker, or Firm</b>
Tier 1	Participant executes less than 0.05% of total industry customer equity and ETF option ADV contracts per month.	\$0.00	\$0.44	\$0.00	\$0.42	\$0.14
Tier 2	Participant executes 0.05% to less than 0.15% of total industry customer equity and ETF option ADV contracts per month.	\$0.10	\$0.44	\$0.25	\$0.42	\$0.10
Tier 3	Participant executes 0.15% or more of total industry customer equity and ETF option ADV contracts per month	\$0.20	\$0.40	\$0.37	\$0.39	\$0.04

		<b>Rebate to Add Liquidity</b>	<b>Fee to Add Liquidity</b>	<b>Rebate to Remove Liquidity</b>	<b>Fee to Remove Liquidity</b>	<b>Fee to Add Liquidity</b>
	<b>When:</b>	<b>Customer</b>	<b>BX Options Market Maker</b>	<b>Customer</b>	<b>BX Options Market Maker</b>	<b>BX Options Market Maker</b>
	<b>Trading with:</b>	<b>Non-Customer or BX Options Market Maker, or Firm</b>	<b>Customer</b>	<b>Non-Customer, BX Options Market Maker, Customer, or Firm</b>	<b>Customer</b>	<b>Non-Customer or BX Options Market Maker, or Firm</b>
Tier 4	Participant executes greater than 10,000 PRISM Agency Contracts per month; or Participant executes BX Options Market Maker volume of 0.30% or more of total industry customer equity and ETF options ADV per month	\$0.25	\$0.29	\$0.37	\$0.25	\$0.00

#### BX Options Select Symbol List

The following are Select Symbols: ASHR, DIA, DXJ, EEM, EFA, EWJ, EWT, EWW, EWY, EWZ, FAS, FAZ, FXE, FXI, FXP, GDX, GLD, HYG, IWM, IYR, KRE, OIH, QID, QLD, QQQ, RSX, SDS, SKF, SLV, SRS, SSO, TBT, TLT, TNA, TZA, UNG, URE, USO, UUP, UVXY, UYG, VXX, XHB, XLB, XLE, XLF, XLI, XLK, XLP, XLU, XLV, XLY, XME, XOP, XRT

- Firm fee to add liquidity and fee to remove liquidity in Select Symbols Options will be \$0.33 per contract, regardless of counterparty.
- Non-Customer fee to add liquidity and fee to remove liquidity in Select Symbols Options will be \$0.46 per contract, regardless of counterparty.

- BX Options Market Maker fee to remove liquidity in Select Symbols Options will be \$0.46 per contract when trading with Firm, Non-Customer, or BX Options Market Maker.
- Customer fee to add liquidity in Select Symbols Options when contra to another Customer is \$0.33 per contract.
- Volume from all products listed on BX Options will apply to the Select Symbols Options Tiers.

\* \* \* \* \*

The Exchange proposes to increase the \$0.33 per contract Firm fee to add liquidity and fee to remove liquidity in Select Symbols to raise revenue for the Exchange and help defray costs. As proposed, the Firm fee to add liquidity and fee to remove liquidity in Select Symbols will be \$0.37 per contract, regardless of counterparty. The pricing for all other transactions in Select Symbol options as set forth above will remain unchanged.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>8</sup> in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,<sup>9</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that its proposal to increase the Firm fee to add liquidity and fee to remove liquidity in Select Symbols, as discussed above, is reasonable because the proposed change is a modest increase to help defray costs and remains lower than the Firm fee to add liquidity and fee to remove liquidity in all other Penny Pilot options that

---

<sup>8</sup> 15 U.S.C. 78f(b).

<sup>9</sup> 15 U.S.C. 78f(b)(4) and (5).

are not options in Select Symbols.<sup>10</sup> As discussed above, the pricing for all other transactions in Select Symbol options will remain unchanged. Furthermore, the Exchange notes that the proposed Firm fees for Select Symbols remain competitive with the fees of other options markets.<sup>11</sup> Accordingly, the Exchange believes that despite the proposed increase in Firm fees as described above, the pricing model in Chapter XV, Section 2(1) for Select Symbols will continue to attract order flow to BX Options, particularly in these high volume symbols, to the benefit of all market participants.

The Exchange also believes that the proposed increase of the Firm fee to add liquidity and fee to remove liquidity in Select Symbols is equitable and not unfairly discriminatory because the Exchange will apply the same fee to all similarly situated members. For the reasons discussed above, the proposed fee continues to provide an incentive for Firms to transact order flow on the Exchange, which order flow brings increased liquidity to the Exchange for the benefit of all Exchange participants. To the extent the purpose of the proposed Firm fee is achieved, all market participants should benefit from the improved market liquidity.

---

<sup>10</sup> The Exchange currently charges a \$0.45 per contract Firm fee to add liquidity and a \$0.46 per contract Firm fee to remove liquidity in all other Penny Pilot options that are not in Select Symbol options. See Chapter XV, Section 2(1).

<sup>11</sup> See, e.g., MIAX Options Fee Schedule at: [https://www.miaxoptions.com/sites/default/files/fee\\_schedule-files/MIAX\\_Options\\_Fee\\_Schedule\\_10112017.pdf](https://www.miaxoptions.com/sites/default/files/fee_schedule-files/MIAX_Options_Fee_Schedule_10112017.pdf). See also, e.g., Nasdaq PHLX LLC Pricing Schedule at: [http://nasdaqphlx.cchwallstreet.com/NASDAQPHLXTools/PlatformViewer.asp?s\\_electednode=chp\\_1\\_4\\_1&manual=%2Fnasdaqomxphlx%2Fphlx%2Fphlx-rulesbrd%2F](http://nasdaqphlx.cchwallstreet.com/NASDAQPHLXTools/PlatformViewer.asp?s_electednode=chp_1_4_1&manual=%2Fnasdaqomxphlx%2Fphlx%2Fphlx-rulesbrd%2F)



4. 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. As discussed above, the Exchange believes that the proposed Firm fees for Select Symbol options remain competitive with those on other options markets and will continue to attract order flow to the Exchange. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually review, and consider adjusting, its fees and rebates to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed fee changes reflect this competitive environment.

5. 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.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Pursuant to Section 19(b)(3)(A)(ii) of the Act,<sup>12</sup> the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

---

<sup>12</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

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.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

1. Notice of Proposed Rule Change for publication in the Federal Register.
5. Text of the proposed rule change.

**EXHIBIT 1**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. \_\_\_\_\_; File No. SR-BX-2017-051)

November \_\_, 2017

Self-Regulatory Organizations; Nasdaq BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Exchange's Options Pricing at Chapter XV, Section 2

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup>, and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on November 1, 2017, Nasdaq BX, Inc. ("BX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III, 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 Options Pricing at Chapter XV, Section 2, entitled "BX Options Market—Fees and Rebates," which governs pricing for BX members using the BX Options Market ("BX Options"). The Exchange proposes to modify certain fees for transactions in options overlying Select Symbols,<sup>3</sup> as further discussed below.

---

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> The following are Select Symbols: ASHR, DIA, DXJ, EEM, EFA, EWJ, EWT, EWW, EWY, EWZ, FAS, FAZ, FXE, FXI, FXP, GDX, GLD, HYG, IWM, IYR, KRE, OIH, QID, QLD, QQQ, RSX, SDS, SKF, SLV, SRS, SSO, TBT, TLT, TNA, TZA, UNG, URE, USO, UUP, UVXY, UYG, VXX, XHB, XLB, XLE, XLF, XLI, XLK, XLP, XLU, XLV, XLY, XME, XOP, XRT. See Chapter XV, Section 2(1).

The text of the proposed rule change is available on the Exchange's Website at <http://nasdaqbx.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 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 Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Chapter XV, Section 2(1), which includes pricing for transactions in Select Symbol options, to increase the Firm<sup>4</sup> fee to add liquidity and fee to remove liquidity in Select Symbols. Select Symbols represent some of the highest volume Penny Pilot options traded on the Exchange and in the industry. The fees and rebates applicable to Select Symbol options in Chapter XV, Section 2(1) are designed to attract more order flow to BX Options, particularly in these high volume symbols, and apply to Customers,<sup>5</sup> BX Options Market Makers,<sup>6</sup> Non-Customers<sup>7</sup> and Firms as follows:

---

<sup>4</sup> The term "Firm" or ("F") applies to any transaction that is identified by a Participant for clearing in the Firm range at OCC. See Chapter XV.

<sup>5</sup> The term "Customer" or ("C") applies to any transaction that is identified by a Participant for clearing in the Customer range at OCC which is not for the account

(1) Fees for Execution of Contracts on the BX Options Market:

\* \* \* \* \*

Select Symbols Options Tier Schedule

		<b>Rebate to Add Liquidity</b>	<b>Fee to Add Liquidity</b>	<b>Rebate to Remove Liquidity</b>	<b>Fee to Remove Liquidity</b>	<b>Fee to Add Liquidity</b>
	<b>When:</b>	<b>Customer</b>	<b>BX Options Market Maker</b>	<b>Customer</b>	<b>BX Options Market Maker</b>	<b>BX Options Market Maker</b>
	<b>Trading with:</b>	<b>Non-Customer or BX Options Market Maker, or Firm</b>	<b>Customer</b>	<b>Non-Customer, BX Options Market Maker, Customer, or Firm</b>	<b>Customer</b>	<b>Non-Customer or BX Options Market Maker, or Firm</b>
Tier 1	Participant executes less than 0.05% of total industry customer equity and ETF option ADV contracts per month.	\$0.00	\$0.44	\$0.00	\$0.42	\$0.14

---

of broker or dealer or for the account of a "Professional" (as that term is defined in Chapter I, Section 1(a)(48)). See Chapter XV.

<sup>6</sup> The term "BX Options Market Maker" or ("M") is a Participant that has registered as a Market Maker on BX Options pursuant to Chapter VII, Section 2, and must also remain in good standing pursuant to Chapter VII, Section 4. In order to receive Market Maker pricing in all securities, the Participant must be registered as a BX Options Market Maker in at least one security. See Chapter XV.

<sup>7</sup> As set forth in note 1 to Chapter XV, Section 2(1), a Non-Customer includes a Professional, Broker-Dealer and Non-BX Options Market Maker.

		<b>Rebate to Add Liquidity</b>	<b>Fee to Add Liquidity</b>	<b>Rebate to Remove Liquidity</b>	<b>Fee to Remove Liquidity</b>	<b>Fee to Add Liquidity</b>
	<b>When:</b>	<b>Customer</b>	<b>BX Options Market Maker</b>	<b>Customer</b>	<b>BX Options Market Maker</b>	<b>BX Options Market Maker</b>
	<b>Trading with:</b>	<b>Non-Customer or BX Options Market Maker, or Firm</b>	<b>Customer</b>	<b>Non-Customer, BX Options Market Maker, Customer, or Firm</b>	<b>Customer</b>	<b>Non-Customer or BX Options Market Maker, or Firm</b>
Tier 2	Participant executes 0.05% to less than 0.15% of total industry customer equity and ETF option ADV contracts per month.	\$0.10	\$0.44	\$0.25	\$0.42	\$0.10
Tier 3	Participant executes 0.15% or more of total industry customer equity and ETF option ADV contracts per month	\$0.20	\$0.40	\$0.37	\$0.39	\$0.04
Tier 4	Participant executes greater than 10,000 PRISM Agency Contracts per month; or Participant executes BX Options Market Maker volume of 0.30% or more of total industry customer equity and ETF options ADV per month	\$0.25	\$0.29	\$0.37	\$0.25	\$0.00

### BX Options Select Symbol List

The following are Select Symbols: ASHR, DIA, DXJ, EEM, EFA, EWJ, EWT, EWW, EWY, EWZ, FAS, FAZ, FXE, FXI, FXP, GDX, GLD, HYG, IWM, IYR, KRE, OIH, QID, QLD, QQQ, RSX, SDS, SKF, SLV, SRS, SSO, TBT, TLT, TNA, TZA, UNG, URE, USO, UUP, UVXY, UYG, VXX, XHB, XLB, XLE, XLF, XLI, XLK, XLP, XLU, XLV, XLY, XME, XOP, XRT

- Firm fee to add liquidity and fee to remove liquidity in Select Symbols Options will be \$0.33 per contract, regardless of counterparty.
- Non-Customer fee to add liquidity and fee to remove liquidity in Select Symbols Options will be \$0.46 per contract, regardless of counterparty.
- BX Options Market Maker fee to remove liquidity in Select Symbols Options will be \$0.46 per contract when trading with Firm, Non-Customer, or BX Options Market Maker.
- Customer fee to add liquidity in Select Symbols Options when contra to another Customer is \$0.33 per contract.
- Volume from all products listed on BX Options will apply to the Select Symbols Options Tiers.

\* \* \* \* \*

The Exchange proposes to increase the \$0.33 per contract Firm fee to add liquidity and fee to remove liquidity in Select Symbols to raise revenue for the Exchange and help defray costs. As proposed, the Firm fee to add liquidity and fee to remove liquidity in Select Symbols will be \$0.37 per contract, regardless of counterparty. The pricing for all other transactions in Select Symbol options as set forth above will remain unchanged.

#### 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>8</sup> in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,<sup>9</sup> in

---

<sup>8</sup> 15 U.S.C. 78f(b).

<sup>9</sup> 15 U.S.C. 78f(b)(4) and (5).

particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that its proposal to increase the Firm fee to add liquidity and fee to remove liquidity in Select Symbols, as discussed above, is reasonable because the proposed change is a modest increase to help defray costs and remains lower than the Firm fee to add liquidity and fee to remove liquidity in all other Penny Pilot options that are not options in Select Symbols.<sup>10</sup> As discussed above, the pricing for all other transactions in Select Symbol options will remain unchanged. Furthermore, the Exchange notes that the proposed Firm fees for Select Symbols remain competitive with the fees of other options markets.<sup>11</sup> Accordingly, the Exchange believes that despite the proposed increase in Firm fees as described above, the pricing model in Chapter XV, Section 2(1) for Select Symbols will continue to attract order flow to BX Options, particularly in these high volume symbols, to the benefit of all market participants.

The Exchange also believes that the proposed increase of the Firm fee to add liquidity and fee to remove liquidity in Select Symbols is equitable and not unfairly discriminatory because the Exchange will apply the same fee to all similarly situated

---

<sup>10</sup> The Exchange currently charges a \$0.45 per contract Firm fee to add liquidity and a \$0.46 per contract Firm fee to remove liquidity in all other Penny Pilot options that are not in Select Symbol options. See Chapter XV, Section 2(1).

<sup>11</sup> See, e.g., MIAX Options Fee Schedule at: [https://www.miaxoptions.com/sites/default/files/fee\\_schedule-files/MIAX\\_Options\\_Fee\\_Schedule\\_10112017.pdf](https://www.miaxoptions.com/sites/default/files/fee_schedule-files/MIAX_Options_Fee_Schedule_10112017.pdf). See also, e.g., Nasdaq PHLX LLC Pricing Schedule at: [http://nasdaqphlx.cchwallstreet.com/NASDAQPHLXTools/PlatformViewer.asp?s\\_electednode=chp\\_1\\_4\\_1&manual=%2Fnasdaqomxphlx%2Fphlx%2Fphlx-rulesbrd%2F](http://nasdaqphlx.cchwallstreet.com/NASDAQPHLXTools/PlatformViewer.asp?s_electednode=chp_1_4_1&manual=%2Fnasdaqomxphlx%2Fphlx%2Fphlx-rulesbrd%2F)



members. For the reasons discussed above, the proposed fee continues to provide an incentive for Firms to transact order flow on the Exchange, which order flow brings increased liquidity to the Exchange for the benefit of all Exchange participants. To the extent the purpose of the proposed Firm fee is achieved, all market participants should benefit from the improved market liquidity.

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. As discussed above, the Exchange believes that the proposed Firm fees for Select Symbol options remain competitive with those on other options markets and will continue to attract order flow to the Exchange. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually review, and consider adjusting, its fees and rebates to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed fee changes reflect this competitive environment.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.<sup>12</sup>

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.

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](mailto:rule-comments@sec.gov). Please include File Number SR-BX-2017-051 on the subject line.

Paper comments:

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

---

<sup>12</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

All submissions should refer to File Number SR-BX-2017-051. 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 Web site (<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 the 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-BX-2017-051 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.<sup>13</sup>

Eduardo A. Aleman  
Assistant Secretary

---

<sup>13</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

Deleted text is [bracketed]. New text is underlined.

**Rules of Nasdaq BX  
Options Rules**

\* \* \* \* \*

**Chapter XV Options Pricing**

\* \* \* \* \*

**Sec. 2 BX Options Market—Fees and Rebates**

The following charges shall apply to the use of the order execution and routing services of the BX Options market for all securities.

(1) Fees for Execution of Contracts on the BX Options Market:

\* \* \* \* \*

Select Symbols Options Tier Schedule

	<b>Rebate to Add Liquidity</b>	<b>Fee to Add Liquidity</b>	<b>Rebate to Remove Liquidity</b>	<b>Fee to Remove Liquidity</b>	<b>Fee to Add Liquidity</b>	
<b>When:</b>	<b>Customer</b>	<b>BX Options Market Maker</b>	<b>Customer</b>	<b>BX Options Market Maker</b>	<b>BX Options Market Maker</b>	
<b>Trading with:</b>	<b>Non-Customer or BX Options Market Maker, or Firm</b>	<b>Customer</b>	<b>Non-Customer, BX Options Market Maker, Customer, or Firm</b>	<b>Customer</b>	<b>Non-Customer or BX Options Market Maker, or Firm</b>	
Tier 1	Participant executes less than 0.05% of total industry customer equity and ETF	\$0.00	\$0.44	\$0.00	\$0.42	\$0.14

	option ADV contracts per month.					
Tier 2	Participant executes 0.05% to less than 0.15% of total industry customer equity and ETF option ADV contracts per month.	\$0.10	\$0.44	\$0.25	\$0.42	\$0.10
Tier 3	Participant executes 0.15% or more of total industry customer equity and ETF option ADV contracts per month	\$0.20	\$0.40	\$0.37	\$0.39	\$0.04
Tier 4	Participant executes greater than 10,000 PRISM Agency Contracts per month; or Participant executes BX	\$0.25	\$0.29	\$0.37	\$0.25	\$0.00

Options  
Market  
Maker  
volume of  
0.30% or  
more of  
total  
industry  
customer  
equity and  
ETF  
options  
ADV per  
month

---

#### BX Options Select Symbol List

The following are Select Symbols: ASHR, DIA, DXJ, EEM, EFA, EWJ, EWT, EWW, EWY, EWZ, FAS, FAZ, FXE, FXI, FXP, GDX, GLD, HYG, IWM, IYR, KRE, OIH, QID, QLD, QQQ, RSX, SDS, SKF, SLV, SRS, SSO, TBT, TLT, TNA, TZA, UNG, URE, USO, UUP, UVXY, UYG, VXX, XHB, XLB, XLE, XLF, XLI, XLK, XLP, XLU, XLV, XLY, XME, XOP, XRT

- Firm fee to add liquidity and fee to remove liquidity in Select Symbols Options will be \$[0.33]0.37 per contract, regardless of counterparty.
- Non-Customer fee to add liquidity and fee to remove liquidity in Select Symbols Options will be \$0.46 per contract, regardless of counterparty.
- BX Options Market Maker fee to remove liquidity in Select Symbols Options will be \$0.46 per contract when trading with Firm, Non-Customer, or BX Options Market Maker.
- Customer fee to add liquidity in Select Symbols Options when contra to another Customer is \$0.33 per contract.
- Volume from all products listed on BX Options will apply to the Select Symbols Options Tiers.

\* \* \* \* \*