

Required fields are shown with yellow backgrounds and asterisks.

Filing by Nasdaq GEMX, LLC
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 type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" 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 type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description

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

Proposal to memorialize Exchange order and execution information into GEMX Rule 718, entitled Data Feeds.

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 * Angela	Last Name * Dunn
Title * Principal Associate General Counsel	
E-mail * Angela.Dunn@nasdaq.com	
Telephone * (215) 496-5692	Fax


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 05/23/2018	Executive Vice President and General Counsel
By Edward S. Knight	
(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 *

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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

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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

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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 GEMX, LLC (“GEMX” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to memorialize its order and execution information into GEMX Rule 718, entitled “Data Feeds.”

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:

Angela Saccomandi Dunn
Principal Associate General Counsel
Nasdaq, Inc.
215-496-5692.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

a. Purpose

The Exchange proposes to add order and execution information into GEMX Rule 718, entitled “Data Feeds.” The Exchange proposes to rename this rule “Data Feeds and Trade Information.” The Exchange also proposes to amend Rule 100 to add definitions.

GEMX Rule 718(a)

The Exchange proposes to amend the Nasdaq GEMX Top Quote Feed. The Exchange stated in that description that this feed calculates and disseminates GEMX’s best bid and offer position, with aggregated size (including total size in aggregate, for Public Customer³ size in the aggregate and Priority Customer⁴ size in the aggregate), based on displayable order and quote interest in the System. The Exchange proposes to amend this rule text to instead provide, “this feed calculates and disseminates GEMX’s best bid and offer position, with aggregated size (including total size in aggregate, for **Professional Order**⁵ size in the aggregate and Priority Customer **Order** size in the aggregate), based on displayable order and quote interest in the System.” The Exchange intended to specify that Professional Orders and Priority Customer Orders are segregated and aggregated. The Public Customer definition is too broad because it includes a

³ The term “Public Customer” means a person or entity that is not a broker or dealer in securities. See Rule 100(a)(44).

⁴ The term “Priority Customer” means a person or entity that (i) is not a broker or dealer in securities, and (ii) does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). See 100(a)(41A). The term “Priority Customer Order” means an order for the account of a Priority Customer. See Rule 100(a)(43A).

⁵ The term “Professional Order” means an order that is for the account of a person or entity that is not a Priority Customer. See Rule 100(a)(43C).

portion of Priority Customer, which was already specified within the description. The Exchange proposes to remove Public Customer and replace it with Professional Order to be more specific and amend Priority Customer to Priority Customer Order to reference the types of orders that are aggregated to conform the rule text.

GEMX Rule 718(b)

The Exchange proposes to add its order and execution information into GEMX Rule 718, entitled “Data Feeds.” The Exchange proposes to rename this rule “Data Feeds and Trade Information.” The Exchange also proposes to amend Rule 100 to add definitions.

The Exchange proposes to adopt a new GEMX Rule 718(b) and memorialize the following order and execution information which was discussed in other rule filings by the Exchange: (i) Clearing Trade Information or “CTI”; and (ii) FIX DROP.⁶ The Exchange is also adding a description for TradeInfo. The TradeInfo user interface is being offered today on GEMX at no cost.

The Exchange notes that while CTI and FIX Drop information are accessible through a port, TradeInfo is an interface. The Exchange notes this distinction to make clear the manner of delivery for each of these information types.

CTI

The Exchange stated in its Prior Filing that “CTI is a real-time clearing trade message that is sent to a Member after an execution has occurred and contains trade details. The message containing the trade details is also simultaneously sent to The Options Clearing Corporation. The information includes, among other things, the

⁶ See Securities Exchange Act Release No. 81136 (July 13, 2017), 82 FR 33168 (July 19, 2017) (SR-GEMX-2017-29) (“Prior Filing”).

following: (i) The Clearing Member Trade Agreement or “CMTA” or The Options Clearing Corporation or “OCC” number; (ii) Exchange badge or house number; (iii) the Exchange internal firm identifier; and (iv) an indicator which will distinguish electronic and non-electronically delivered orders; (v) liquidity indicators and transaction type for billing purposes; (vi) capacity.”⁷

The Exchange is proposing to amend the CTI description and memorialize it within GEMX Rule 718(b)(1). The Exchange proposes to eliminate the sentence which states, “The message containing the trade details is also simultaneously sent to The Options Clearing Corporation.” The Exchange’s System sends clearing information to OCC for each transaction. This sentence does not add information that is useful or relevant and therefore the Exchange proposes to remove it. The Exchange also proposes to delete the words “an indicator which will distinguish electronic and non-electronically delivered orders.” The only method on GEMX to deliver an order is electronically.

The Exchange is also adopting definitions for “account number,”⁸ “badge,”⁹ and “mnemonic”¹⁰ to be utilized within the CTI definition and uniformly throughout the Rulebook. The Exchange proposes to renumber Rule 100 to accommodate the new definitions. The Exchange is reserving 2 numbers for future use of other definitions. The

⁷ Id.

⁸ An “account number” shall mean a number assigned to a Member. Members may have more than one account number. See proposed Rule 100(a)(1).

⁹ A “badge” shall mean an account number with a letter suffix assigned to Market Makers. A Market Maker account may be associated with multiple badges. See proposed Rule 100(a)(5).

¹⁰ A “mnemonic” shall mean an acronym comprised of letters and/or numbers assigned to Electronic Access Members. An Electronic Access Member account may be associated with multiple mnemonics. See proposed Rule 100(a)(34).

Exchange proposes to replace the phrase in Rule 718(b)(1) subsection (ii) from previously filed Exchange badge or house number to proposed definitions for badge or mnemonic. The Exchange proposes to replace the phrase in Rule 718(b)(1) subsection (iii) from Exchange internal firm identifier to proposed definition for account number. The Exchange proposes to expand on Rule 718(b)(1) subsection (iv) by replacing the phrase “an indicator which will distinguish electronic and non-electronically delivered orders” with “information which identifies the transaction type (e.g. auction type) for billing purposes.” Finally, the Exchange Further, the Exchange is adding an “and” before “(v) capacity” and changing the wording to “market participant capacity.” The Exchange has renumbered the CTI sections to account for the language that was removed from the description. Finally, the Exchange is adding an “and” before Rule 718(b)(1) subsection (v) “capacity” and changing the wording to “market participant capacity.” The Exchange is expressing more specifically the type of data contained in CTI.

FIX DROP

The Exchange stated in its Prior Filing that “FIX DROP provides real-time order and execution update is a message that is sent to a Member after an order been received/modified or an execution has occurred and contains trade details. The information includes, among other things, the following: (1) executions; (2) cancellations; (3) modifications to an existing order; and (4) busts or post-trade corrections.”¹¹

The Exchange proposes to memorialize FIX DROP within GEMX Rule 718(b)(3). The Exchange notes that at the end of the first sentence of the description it is

¹¹ Id.

adding “specific to that Member” to make clear that FIX DROP only provides a Member its specific trade information. Also, an “and” is included before new (iv) as the numbers have been changed to roman numerals.

TradeInfo

The Exchange proposes to establish its TradeInfo offering at GEMX Rule 718(b)(2). TradeInfo, a user interface, permits a Member to: (i) search all orders submitted in a particular security or all orders of a particular type, regardless of their status (open, canceled, executed, etc.); (ii) view orders and executions; and (iii) download orders and executions for recordkeeping purposes. TradeInfo users may also cancel open orders at the order, port or firm mnemonic level through TradeInfo. TradeInfo is offered today to Members on GEMX at no cost.

The Exchange considers it appropriate to establish and memorialize the order and execution information available on GEMX within a rule so that Members may understand the trade information which is available on the Exchange as it pertains to a firm’s trading information. This data is available to all Members and is specific to a Member’s transactions on GEMX.

b. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the “Act”),¹² in general, and furthers the objectives of Section 6(b)(5) of the Act,¹³ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(5).

mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest, by providing greater transparency as to the order and execution information offered on GEMX. Each proposal is described in more detail below.

GEMX Rule 718(a)

The Exchange's proposal to amend the Nasdaq GEMX Top Quote Feed to specify that Professional Orders and Priority Customer Orders are segregated and aggregated is consistent with the protection of investors and the public interest because the Exchange is correcting the categories of orders, which are segregated and aggregated. The Public Customer definition is too broad because it includes a portion of Priority Customer, which was already specified within the description. The Exchange proposes to remove Public Customer and replace it with Professional Order to be more specific and amend Priority Customer to Priority Customer Order to reference the types of orders that are aggregated to conform the rule text. The Exchange believes that this amendment will bring more transparency to the information within the feed.

GEMX Rule 718(b)

The Exchange believes that memorializing CTI and FIX DROP within a rule will provide Members with transparency as to the order and information offerings available on GEMX specific to their trading on GEMX. The Exchange's proposal to establish TradeInfo is consistent with the Act because the Exchange is detailing the contents of this offering as well as providing transparency as to the availability of TradeInfo. The Exchange believes that offering Members TradeInfo, which allows Members to view executions as well as other capabilities with respect to order management, enhances the ability of a Member to manage its orders. The Exchange believes that providing

Members with tools to manage orders is consistent with the Act and serves to protect investors and the public interest. Further, the Exchange believes that this proposal is consistent with the Act because TradeInfo provides information regarding information available to market participants, specifically with respect to trades they execute on GEMX. The information is available to all Members.

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

In accordance with Section 6(b)(8) of the Act,¹⁴ the Exchange does not believe that the proposed rule change will impose any burden on intermarket or intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange's proposal does not impose an undue burden on competition, rather the Exchange is seeking to provide greater transparency within its rules with respect to the Nasdaq GEMX Top Quote Feed as well as order and execution information offered on GEMX. The information is available to all Members. Specifically, TradeInfo is available to any Member that requests this service. The TradeInfo product will provide a Member information regarding that Member's executions.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

6. Extension of Time Period for Commission Action

Not applicable.

¹⁴ 15 U.S.C. 78f(b)(8).

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii)¹⁵ of the Act and Rule 19b-4(f)(6) thereunder¹⁶ in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The Exchange believes that this proposal does not significantly affect the protection of investors or the public interest, nor does it impose any significant burden on competition because the Exchange, as explained, is providing greater transparency as to the Nasdaq GEMX Top Quote Feed and order and execution information offered on GEMX. The Exchange's proposal regarding the Nasdaq GEMX Top Quote Feed will correct the existing rule text to properly reference the types of orders that are aggregated. TradeInfo, will allow Members to view executions as well as other capabilities with respect to order management and enhance the ability of a Member to manage its orders. The Exchange believes that this proposal does not impose any significant burden on competition, any Member may request the Nasdaq GEMX Top Quote Feed and order and execution information.

Furthermore, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that

¹⁵ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁶ 17 CFR 240.19b-4(f)(6).

subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

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.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) so that it may correct the Nasdaq GEMX Top Quote Feed and update its rules immediately regarding order and execution information offered on GEMX. The Exchange believes that granting the waiver will further the protection of investors and the public interest because it will provide greater transparency as to the Nasdaq GEMX Top Quote Feed as well as trade detail available to market participants. Establishing TradeInfo will provide Members with greater information concerning a Member's executions on GEMX and make its availability transparent.

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

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

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-GEMX-2018-17)

May __, 2018

Self-Regulatory Organizations; Nasdaq GEMX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Memorialize Order and Execution Information into GEMX Rule 718

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 May 23, 2018, Nasdaq GEMX, LLC (“GEMX” 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 memorialize its order and execution information into GEMX Rule 718, entitled “Data Feeds.”

The text of the proposed rule change is available on the Exchange’s Website at <http://nasdaqgemx.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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 add order and execution information into GEMX Rule 718, entitled "Data Feeds." The Exchange proposes to rename this rule "Data Feeds and Trade Information." The Exchange also proposes to amend Rule 100 to add definitions.

GEMX Rule 718(a)

The Exchange proposes to amend the Nasdaq GEMX Top Quote Feed. The Exchange stated in that description that this feed calculates and disseminates GEMX's best bid and offer position, with aggregated size (including total size in aggregate, for Public Customer³ size in the aggregate and Priority Customer⁴ size in the aggregate), based on displayable order and quote interest in the System. The Exchange proposes to amend this rule text to instead provide, "this feed calculates and disseminates GEMX's best bid and offer position, with aggregated size (including total size in aggregate, for **Professional Order**⁵ size in the aggregate and Priority Customer **Order** size in the

³ The term "Public Customer" means a person or entity that is not a broker or dealer in securities. See Rule 100(a)(44).

⁴ The term "Priority Customer" means a person or entity that (i) is not a broker or dealer in securities, and (ii) does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). See 100(a)(41A). The term "Priority Customer Order" means an order for the account of a Priority Customer. See Rule 100(a)(43A).

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aggregate), based on displayable order and quote interest in the System.” The Exchange intended to specify that Professional Orders and Priority Customer Orders are segregated and aggregated. The Public Customer definition is too broad because it includes a portion of Priority Customer, which was already specified within the description. The Exchange proposes to remove Public Customer and replace it with Professional Order to be more specific and amend Priority Customer to Priority Customer Order to reference the types of orders that are aggregated to conform the rule text.

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The Exchange notes that while CTI and FIX Drop information are accessible through a port, TradeInfo is an interface. The Exchange notes this distinction to make clear the manner of delivery for each of these information types.

⁶ See Securities Exchange Act Release No. 81136 (July 13, 2017), 82 FR 33168 (July 19, 2017) (SR-GEMX-2017-29) (“Prior Filing”).

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The Exchange stated in its Prior Filing that “CTI is a real-time clearing trade message that is sent to a Member after an execution has occurred and contains trade details. The message containing the trade details is also simultaneously sent to The Options Clearing Corporation. The information includes, among other things, the following: (i) The Clearing Member Trade Agreement or “CMTA” or The Options Clearing Corporation or “OCC” number; (ii) Exchange badge or house number; (iii) the Exchange internal firm identifier; and (iv) an indicator which will distinguish electronic and non-electronically delivered orders; (v) liquidity indicators and transaction type for billing purposes; (vi) capacity.”⁷

The Exchange is proposing to amend the CTI description and memorialize it within GEMX Rule 718(b)(1). The Exchange proposes to eliminate the sentence which states, “The message containing the trade details is also simultaneously sent to The Options Clearing Corporation.” The Exchange’s System sends clearing information to OCC for each transaction. This sentence does not add information that is useful or relevant and therefore the Exchange proposes to remove it. The Exchange also proposes to delete the words “an indicator which will distinguish electronic and non-electronically delivered orders.” The only method on GEMX to deliver an order is electronically.

The Exchange is also adopting definitions for “account number,”⁸ “badge,”⁹ and “mnemonic”¹⁰ to be utilized within the CTI definition and uniformly throughout the

⁷ Id.

⁸ An “account number” shall mean a number assigned to a Member. Members may have more than one account number. See proposed Rule 100(a)(1).

Rulebook. The Exchange proposes to renumber Rule 100 to accommodate the new definitions. The Exchange is reserving 2 numbers for future use of other definitions. The Exchange proposes to replace the phrase in Rule 718(b)(1) subsection (ii) from previously filed Exchange badge or house number to proposed definitions for badge or mnemonic. The Exchange proposes to replace the phrase in Rule 718(b)(1) subsection (iii) from Exchange internal firm identifier to proposed definition for account number. The Exchange proposes to expand on Rule 718(b)(1) subsection (iv) by replacing the phrase “an indicator which will distinguish electronic and non-electronically delivered orders” with “information which identifies the transaction type (e.g. auction type) for billing purposes.” Finally, the Exchange Further, the Exchange is adding an “and” before “(v) capacity” and changing the wording to “market participant capacity.” The Exchange has renumbered the CTI sections to account for the language that was removed from the description. Finally, the Exchange is adding an “and” before Rule 718(b)(1) subsection (v) “capacity” and changing the wording to “market participant capacity.” The Exchange is expressing more specifically the type of data contained in CTI.

FIX DROP

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⁹ A “badge” shall mean an account number with a letter suffix assigned to Market Makers. A Market Maker account may be associated with multiple badges. See proposed Rule 100(a)(5).

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information includes, among other things, the following: (1) executions; (2) cancellations; (3) modifications to an existing order; and (4) busts or post-trade corrections.”¹¹

The Exchange proposes to memorialize FIX DROP within GEMX Rule 718(b)(3). The Exchange notes that at the end of the first sentence of the description it is adding “specific to that Member” to make clear that FIX DROP only provides a Member its specific trade information. Also, an “and” is included before new (iv) as the numbers have been changed to roman numerals.

TradeInfo

The Exchange proposes to establish its TradeInfo offering at GEMX Rule 718(b)(2). TradeInfo, a user interface, permits a Member to: (i) search all orders submitted in a particular security or all orders of a particular type, regardless of their status (open, canceled, executed, etc.); (ii) view orders and executions; and (iii) download orders and executions for recordkeeping purposes. TradeInfo users may also cancel open orders at the order, port or firm mnemonic level through TradeInfo. TradeInfo is offered today to Members on GEMX at no cost.

The Exchange considers it appropriate to establish and memorialize the order and execution information available on GEMX within a rule so that Members may understand the trade information which is available on the Exchange as it pertains to a firm’s trading information. This data is available to all Members and is specific to a Member’s transactions on GEMX.

¹¹

Id.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the “Act”),¹² in general, and furthers the objectives of Section 6(b)(5) of the Act,¹³ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest, by providing greater transparency as to the order and execution information offered on GEMX. Each proposal is described in more detail below.

GEMX Rule 718(a)

The Exchange’s proposal to amend the Nasdaq GEMX Top Quote Feed to specify that Professional Orders and Priority Customer Orders are segregated and aggregated is consistent with the protection of investors and the public interest because the Exchange is correcting the categories of orders, which are segregated and aggregated. The Public Customer definition is too broad because it includes a portion of Priority Customer, which was already specified within the description. The Exchange proposes to remove Public Customer and replace it with Professional Order to be more specific and amend Priority Customer to Priority Customer Order to reference the types of orders that are aggregated to conform the rule text. The Exchange believes that this amendment will bring more transparency to the information within the feed.

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(5).

GEMX Rule 718(b)

The Exchange believes that memorializing CTI and FIX DROP within a rule will provide Members with transparency as to the order and information offerings available on GEMX specific to their trading on GEMX. The Exchange's proposal to establish TradeInfo is consistent with the Act because the Exchange is detailing the contents of this offering as well as providing transparency as to the availability of TradeInfo. The Exchange believes that offering Members TradeInfo, which allows Members to view executions as well as other capabilities with respect to order management, enhances the ability of a Member to manage its orders. The Exchange believes that providing Members with tools to manage orders is consistent with the Act and serves to protect investors and the public interest. Further, the Exchange believes that this proposal is consistent with the Act because TradeInfo provides information regarding information available to market participants, specifically with respect to trades they execute on GEMX. The information is available to all Members.

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

In accordance with Section 6(b)(8) of the Act,¹⁴ the Exchange does not believe that the proposed rule change will impose any burden on intermarket or intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange's proposal does not impose an undue burden on competition, rather the Exchange is seeking to provide greater transparency within its rules with respect to the Nasdaq GEMX Top Quote Feed as well as order and execution information offered on GEMX. The information is available to all Members. Specifically, TradeInfo is

¹⁴ 15 U.S.C. 78f(b)(8).

available to any Member that requests this service. The TradeInfo product will provide a Member information regarding that Member's executions.

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 Act¹⁵ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁶

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.

¹⁵ 15 U.S.C. 78s(b)(3)(A)(iii).

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

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-GEMX-2018-17 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.

All submissions should refer to File Number SR-GEMX-2018-17. 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-GEMX-2018-17 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.¹⁷

Eduardo A. Aleman
Assistant Secretary

¹⁷ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

New text is underlined; deleted text is in brackets.

Nasdaq GEMX Rulebook

* * * * *

1. Definitions**Rule 100. Definitions**

(a) No change.

(1) An “**account number**” shall mean a number assigned to a Member. Members may have more than one account number.

~~(1)~~**(2)** The term "**aggregate exercise price**" means the exercise price of an options contract multiplied by the number of units of the underlying security covered by the options contract.

~~(2)~~**(3)** The term "**American-style option**" means an options contract that, subject to the provisions of Rule 1100 (relating to the cutoff time for exercise instructions) and to the Rules of the Clearing Corporation, can be exercised on any business day prior to its expiration date and on its expiration date.

~~(3)~~**(4)** The term "**associated person**" or "**person associated with a Member**" means any partner, officer, director, or branch manager of a Member (or any person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under common control with a Member or any employee of a Member.

(5) A “**badge**” shall mean an account number with a letter suffix assigned to Market Makers. A Market Maker account may be associated with multiple badges.

~~(4)~~**(6)** The term "**bid**" means a quote or limit order to buy one or more options contracts.

~~(5)~~**(7)** The term "**board of directors**" or "**Board**" has the meaning set forth in Article I of the By-Laws.

~~(6)~~**(8)** The term "**call**" means an options contract under which the holder of the option has the right, in accordance with the terms of the option, to purchase from the Clearing Corporation the number of shares of the underlying security covered by the options contract.

~~(7)~~**(9)** The term "**class of options**" means all options contracts covering the same underlying security.

~~(8)~~**(10)** The term "**Clearing Corporation**" means The Options Clearing Corporation.

([9]11) The term "**Clearing Member**" means a Member that is self-clearing or an Electronic Access Member that clears Exchange transactions for other Members of the Exchange.

([10]12) The term "**closing purchase transaction**" means an Exchange transaction that will reduce or eliminate a short position in an options contract.

([11]13) The term "**closing writing transaction**" means an Exchange transaction that will reduce or eliminate a long position in an options contract.

([12]14) The term "**CMM Rights**" means the non-transferable rights held by a Competitive Market Maker.

([13]15) The term "**Competitive Market Maker**" means a Member that is approved to exercise trading privileges associated with CMM Rights.

([14]16) The term "**covered short position**" means (i) the obligation of a writer of a call option is secured by a "specific deposit" or an "escrow deposit" meeting the conditions of Rule 710(f) or 710(h), respectively, of the Rules of the Clearing Corporation, or the writer holds in the same account as the short position, on a share-for-share basis, a long position either in the underlying security or in an options contract of the same type and class of options where the exercise price of the options contract in such long position is equal to or less than the exercise price of the options contract in such short position; and (ii) the writer of a put option holds in the same account as the short position, on a share-for-share basis, a long position in an options contract of the same type and class of options where the exercise price of the options contract in such long position is equal to or greater than the exercise price of the options contract in such short position.

([15]17) The term "**discretion**" means the authority of a broker or dealer to determine for a customer the type of option, the class or series of options, the number of contracts, or whether options are to be bought or sold.

([16]18) The term "**EAM Rights**" means the non-transferable rights held by an Electronic Access Member.

([17]19) The term "**Electronic Access Member**" means a Member that is approved to exercise trading privileges associated with EAM Rights.

([18]20) The term "**European-style option**" means an options contract that, subject to the provisions of Rule 1100 (relating to the cutoff time for exercise instructions) and to the Rules of the Clearing Corporation, can be exercised only on its expiration date.

([19]21) The term "**Exchange Act**" means the Securities Exchange Act of 1934 and the rules and regulations thereunder, as amended from time to time.

([20]22) The term "**Exchange Rights**" means the PMM Rights, CMM Rights and EAM Rights collectively.

([21]23) The term "**Exchange Transaction**" means a transaction executed on or through the facilities of the Exchange.

([22]24) The term "**exercise price**" means the specified price per unit at which the underlying security may be purchased or sold upon the exercise of an options contract.

([23]25) The term "**Federal Reserve Board**" means the Board of Governors of the Federal Reserve System.

([24]26) The term "**good standing**" means that a Member is not delinquent with respect to Exchange dues, fees or other charges and is not suspended or barred from effecting Exchange Transactions or from association with a Member either by the Exchange or by means of a statutory disqualification.

([25]27) The terms "**he**," "**him**" or "**his**" shall be deemed to refer to persons of female as well as male gender, and to include organizations, as well as individuals, when the context so requires.

(28) Reserved.

([26]29) The term "**ISE**" means Nasdaq ISE, LLC, a national securities exchange.

([27]30) The term "**long position**" means a person's interest as the holder of one or more options contracts.

([28]31) The term "**Member**" means an organization that has been approved to exercise trading rights associated with Exchange Rights.

([29]32) The term "**Membership**" refers to the trading privileges associated with Exchange Rights.

([30]33) The term "**market makers**" refers to "Competitive Market Makers" and "Primary Market Makers" collectively.

([31]34) The term "**Market Maker Rights**" refers to PMM Rights and CMM Rights collectively.

(35) A "mnemonic" shall mean an acronym comprised of letters and/or numbers assigned to Electronic Access Members. An Electronic Access Member account may be associated with multiple mnemonics.

([32]36) The term "**Non-Customer**" means a person or entity that is a broker or dealer in securities.

([33]37) The term "**Non-Customer Order**" means an order for the account of a Non-Customer.

([34]38) The term "**offer**" means a quote or limit order to sell one or more options contracts.

([35]39) The term "**opening purchase transaction**" means an Exchange transaction that will create or increase a long position in an options contract.

([36]40) The term "**opening writing transaction**" means an Exchange transaction that will create or increase a short position in an options contract.

(41) Reserved.

([36A]42) The term "**Voluntary Professional**" means any Public Customer that elects, in writing, to be treated in the same manner as a broker or dealer in securities for purposes of Rules 713, 716, and 723, as well as the Exchange's schedule of fees.

([37]43) The term "**options contract**" means a put or a call issued, or subject to issuance by the Clearing Corporation pursuant to the Rules of the Clearing Corporation.

([38]44) The term "**OPRA**" means the Options Price Reporting Authority.

([39]45) The term "**order**" means a commitment to buy or sell securities, the permitted types of which are set forth in Rule 715.

([40]46) The term "**outstanding**" means an options contract which has been issued by the Clearing Corporation and has neither been the subject of a closing writing transaction nor has reached its expiration date.

([41]47) The term "**PMM Rights**" means the non-transferable rights held by a Primary Market Maker.

([42]48) The term "**Primary Market Maker**" means a Member that is approved to exercise trading privileges associated with PMM Rights.

([43]49) The term "**primary market**" means the principal market in which an underlying security is traded.

([43A]50) The term "**Priority Customer**" means a person or entity that (i) is not a broker or dealer in securities, and (ii) does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s).

([43B]51) The term "**Priority Customer Order**" means an order for the account of a Priority Customer.

([43C]52) The term "**Professional Order**" means an order that is for the account of a person or entity that is not a Priority Customer.

(i) No change.

([44]53) The term "**Public Customer**" means a person or entity that is not a broker or dealer in securities.

([45]54) The term "**Public Customer Order**" means an order for the account of a Public Customer.

([46]55) The term "**put**" means an options contract under which the holder of the option has the right, in accordance with the terms and provisions of the option, to sell to the Clearing Corporation the number of shares of the underlying security covered by the options contract.

([47]56) The term "**Quarterly Options Series**" means a series in an options class that is approved for listing and trading on the Exchange in which the series is opened for trading on any business day and that expires at the close of business on the last business day of a calendar quarter.

([48]57) The term "**quote**" or "**quotation**" means a bid or offer entered by a market maker that updates the market maker's previous bid or offer, if any.

([49]58) The term "**Rules of the Clearing Corporation**" means the Certificate of Incorporation, the By-laws and the Rules of the Clearing Corporation, and all written interpretations thereof, as the same may be in effect from time to time.

([50]59) The term "**SEC**" means the United States Securities and Exchange Commission.

([51]60) The term "**series of options**" means all options contracts of the same class having the same exercise price and expiration date.

([52]61) The term "**short position**" means a person's interest as the writer of one or more options contracts.

([53]62) The term "**Short Term Option Series**" means a series in an option class that is approved for listing and trading on the Exchange in which the series is opened for trading on any Monday, Tuesday, Wednesday, Thursday, or Friday that is a business day and that expires on the Monday, Wednesday or Friday of the following business week that is a business day, or, in the case of a series that is listed on a Friday and expires on a Monday, is listed one business week and one business day prior to that expiration. If a Tuesday, Wednesday, Thursday or Friday is not a business day, the series may be opened (or shall expire) on the first business day immediately prior to that Tuesday, Wednesday, Thursday or Friday. For a series listed pursuant to this section for Monday expiration, if a

Monday is not a business day, the series shall expire on the first business day immediately following that Monday.

([54]63) The term "**SRO**" means a self-regulatory organization as defined in Section 3(a)(26) of the Exchange Act.

([55]64) The term "**System**" means the electronic system operated by the Exchange that receives and disseminates quotes, executes orders and reports transactions.

([56]65) The term "**type of option**" means the classification of an options contract as either a put or a call.

([57]66) The term "**uncovered**" means a short position in an options contract that is not covered.

([58]67) The term "**underlying security**" means the security that the Clearing Corporation shall be obligated to sell (in the case of a call option) or purchase (in the case of a put option) upon the valid exercise of an options contract.

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Rule 718. Data Feeds and Trade Information

(a) The following data feeds contain ISE trading information offered by GEMX:

(1) and **(2)** No change.

(3) Nasdaq GEMX Top Quote Feed ("Top Quote Feed") calculates and disseminates GEMX's best bid and offer position, with aggregated size (including total size in aggregate, for Professional Order[Public Customer] size in the aggregate and Priority Customer Order size in the aggregate), based on displayable order and quote interest in the System. The feed also provides last trade information along with opening price, daily trading volume, high and low prices for the day. The data provided for each option series includes the symbols (series and underlying security), put or call indicator, expiration date, the strike price of the series, and whether the option series is available for trading on GEMX and identifies if the series is available for closing transactions only. The feed also provides order imbalances on opening/reopening.

(4) No change.

(b) The following order and execution information is available to Members:

(1) Clearing Trade Interface ("CTI") is a real-time cleared trade update message that is sent to a Member after an execution has occurred and contains trade details specific to that Member. The information includes, among other things, the following: (i) The Clearing Member Trade Agreement ("CMTA") or The Options Clearing Corporation ("OCC") number; (ii) badge or mnemonic; (iii)

account number; (iv) information which identifies the transaction type (e.g. auction type) for billing purposes; and (v) market participant capacity.

(2) TradeInfo, a user interface, permits a Member to: (i) search all orders submitted in a particular security or all orders of a particular type, regardless of their status (open, canceled, executed, etc.); (ii) view orders and executions; and (iii) download orders and executions for recordkeeping purposes. TradeInfo users may also cancel open orders at the order, port or firm mnemonic level through TradeInfo.

(3) FIX DROP is a real-time order and execution update message that is sent to a Member after an order been received/modified or an execution has occurred and contains trade details specific to that Member. The information includes, among other things, the following: (i) executions; (ii) cancellations; (iii) modifications to an existing order; and (iv) busts or post-trade corrections.

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