Commission, 100 F Street NE.,
Washington, DC 20549–1090
All submissions should refer to File
Number SR–Phlx–2017–79. This file
number should be included on the
subject line if email 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 Web site 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.
Persons submitting comments are
cautioned that we do not redact or edit
personal identifying information from
comment submissions. You should
submit only information that you wish
to make available publicly. All
submissions should refer to File
Number SR–Phlx–2017–79, and should be
submitted on or before November 24,
2017.

For the Commission, by the Division of
Trading and Markets, pursuant to delegated
authority.7

Eduardo A. Aleman,
Assistant Secretary.

[FR Doc. 2017–23831 Filed 11–1–17; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE
COMMISSION

[Release No. 34–81969; File No. SR–MRX–
2017–23]

Self-Regulatory Organizations; Nasdaq
MRX, LLC; Notice of Filing and
Immediate Effectiveness of Proposed
Rule Change Relating to an Optional
Kill Switch Protection

October 27, 2017.

Pursuant to Section 19(b)(1) of the
Securities Exchange Act of 1934

(“Act”),3 and Rule 19b–4 thereunder.2

notice is hereby given that on October
18, 2017, Nasdaq MRX, LLC (“MRX” or
“Exchange”) filed with the Securities
and Exchange Commission (“SEC” or
“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 the Substance
of the Proposed Rule Change

The Exchange proposes to
memorialize an optional Kill Switch
protection.3 The Kill Switch allows
Members to cancel open orders and
prevent new order submission.

The text of the proposed rule change
is available on the Exchange’s Web site
at www.ise.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
memorialize its Kill Switch risk
protection which is applicable to all
Members at MRX Rule 711(d). The Kill
Switch allows Members to cancel open
orders and prevent new order
submission. This feature provides
Members with a powerful risk
management tool for immediate control
of their order activity.

The Kill Switch is an optional tool
that enables Members to initiate a
message(s)4 to the trading system
(“System”) to promptly cancel orders
and restrict entry of new orders until re-
entry has been enabled. Members may
submit a request to the System to cancel
orders for that Member. Members may
not remove orders by symbol using the
Kill Switch. The System will send an
automated message to the Member when a
Kill Switch request has been
processed by the Exchange’s System.5

The Member must send a message to
the Exchange to request the cancellation
of all orders for the Member. The
Member is unable to enter additional
orders until re-entry has been enabled
pursuant to subsection (d)(2) of Rule
711.

Proposed subsection (d)(2) stipulates
that after orders are cancelled by the
Member utilizing the Kill Switch, the
Member is unable to enter additional
orders until the Member has made a
request to the Exchange and Exchange
staff has set a re-entry indicator to
enable re-entry.6 Once enabled for
re-entry, the System will send a Re-entry
Notification Message to the Member.
The applicable Clearing Member for that
Member also is notified of the re-entry
into the System after orders are
cancelled as a result of the Kill Switch,
provided the Clearing Member has
requested to receive such notification.

2. Statutory Basis

The Exchange believes that its
proposal is consistent with Section 6(b)
of the Act7 in general, and furthers the
objectives of Section 6(b)(5) of the Act8
in particular, in that it is designed to
promote just and equitable principles of
trade, to remove impediments to and
perfect the mechanism of a free and
open market and a national market
system, and, in general to protect
investors and the public interest, by
memorializing a risk protection
available to Exchange Members. This
risk feature promotes policy goals of the
Commission which has encouraged
execution venues, exchange and
non-exchange alike, to offer risk protection
tools and other mechanisms to decrease
risk and increase stability. The

3 Today, this feature is offered to Members. MRX transitioned from its legacy trading system to INET,
the current technology, in 2017. While MRX offered this feature on its legacy system, the feature was not
codified in the MRX Rulebook. At this time, the Exchange is codifying the Kill Switch feature to
reflect the functionality.
4 Members are able to send a message to the Exchange to initiate the Kill Switch or they may
cancel the Exchange directly. A message to remove orders may be sent through FIX, OTTO or Precise.
5 Opening Sweep Orders will also be cancelled. Consistent with current auction functionality, PIM
auction orders and responses will not be cancelled. See MRX Rule 723. Other auctions orders and
responses would cancel. Quotes are unaffected.
6 The Member must directly and verbally contact
the Exchange to request the re-set.

Exchange believes that memorializing this feature will provide Members with specific information on cancelling orders.

The individual firm benefits of enhanced risk protections flow downstream to counter-parties both at the Exchange and at other options exchanges, thereby increasing systemic protections as well. This risk feature allows Members to enter orders without fear of inadvertent exposure to excessive risk, which in turn benefits investors through increased liquidity for the execution of their orders, thereby protecting investors and the public interest. By memorializing the features in this rule change, Members are aware of the impact of utilizing this risk tool.

This optional risk tool as noted above is offered to all Members. The Exchange further represents that its proposal operates consistently with the firm quote obligations of a broker-dealer pursuant to Rule 602 of Regulation NMS and that the functionality is not mandatory. Specifically, any interest that is executable against a Member’s orders that are received by the Exchange, prior to the time the Kill Switch is processed by the System, will automatically execute at the price up to the Member’s size prior to the removal of orders from the System as a result of the Kill Switch. The Kill Switch message is accepted by the System in the order of receipt in the queue and is processed in that order so that interest that is already accepted into the System is processed prior to the Kill Switch message.

With respect to providing information regarding the cancellation of orders as a result of the Kill Switch to the Clearing Member, each Member that transacts through a Clearing Member on the Exchange accepts financial responsibility for all Exchange transactions made by the Member on whose behalf the Clearing Member agrees to clear. The Exchange believes that because Clearing Members guarantee all transactions on behalf of a Member, and therefore bear the risk associated with those transactions, it is appropriate for Clearing Members to have knowledge of the utilization by the member (sic) of the Kill Switch, should the Clearing Member request such notification.

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. The proposal does not impose an undue burden on intra-market competition because all Members may avail themselves of the Kill Switch. The Kill Switch functionality is optional. The proposed rule change protects Members in the event the Member is suffering from a systems issue or from the occurrence of unusual or unexpected market activity that would require them to withdraw from the market in order to protect investors. Utilizing this Kill Switch will permit the Member to protect itself from inadvertent exposure to excessive risk. Reducing such risk will enable Members to enter orders without fear of inadvertent exposure to excessive risk, which in turn will benefit investors through increased liquidity for the execution of their orders. Such increased liquidity benefits investors because they receive better prices and because it lowers volatility in the options market. For these reasons, the Exchange does not believe this proposal imposes an undue burden on inter-market competition because other exchanges offer the same functionality, which is being memorialized herein.

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 Act and subparagraph (f)(6) of Rule 19b–4 thereunder.

A proposed rule change filed under Rule 19b–4(f)(6) normally does not become operative before 30 days from the date of the filing. However, pursuant to Rule 19b–4(f)(6)(iii), the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest.

The Exchange has asked the Commission to waive the 30-day operative delay. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because the proposal is similar to the rules of other options exchanges and the Exchange’s proposal does not raise any new or novel issues. Therefore, the Commission hereby waives the 30-day operative delay and designates the proposed rule change to be operative upon filing with the Commission.

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 email to rule-comments@sec.gov. Please include File Number SR–MRX–2017–23 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–MRX–2017–23. This file number should be included on the subject line if email 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

14 For purposes only of waiving the operative delay for this proposal, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).
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 Web site 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–MRX–2017–23, and should be submitted on or before November 24, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.15

Eduardo A. Aleman, Assistant Secretary.

[FERC Doc. 2017–23827 Filed 11–1–17; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Remove References to Nasdaq Options Services

October 27, 2017.

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 October 26, 2017, The Nasdaq Stock Market LLC ("Nasdaq" 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 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 remove references to Nasdaq Options Services. The text of the proposed rule change is available on the Exchange’s Web site at http://nasdaq.cshallsstreet.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 those 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 purpose of this filing is to remove references to “Nasdaq Options Services” or “NOS” and in certain cases replace those references with a reference to “Nasdaq Execution Services” or “NES.” The Exchange previously filed a proposed rule change which replaced Nasdaq Options Services with Nasdaq Execution Services.3 Some references to Nasdaq Options Services were not removed from the Exchange’s Rulebook. At this time, the Exchange proposes to remove those references to “Nasdaq Options Services” and “NOS” and were applicable change those references to “Nasdaq Execution Services” or “NES” if the entity is not already mentioned. Also, the Exchange proposes to make grammatical changes to the current sentence to accommodate the removal of the entity.

No other changes are being proposed in this filing. The Exchange represents that these changes are concerned solely with the administration of the Exchange and do not affect the meaning, administration, or enforcement of any rules of the Exchange or the rights, obligations, or privileges of Exchange members or their associated persons in any way. Accordingly, this filing is being submitted under Rule 19b–4(f)(3).

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,4 in general, and furthers the objectives of Section 6(b)(5) of the Act,5 in particular, that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest by avoiding confusion with the routing entity. The Exchange proposes to remove references to “Nasdaq Options Services” or “NOS” and in certain cases replace those references with a reference to “Nasdaq Execution Services” or “NES,” where applicable. The Exchange previously filed a proposed rule change which replaced Nasdaq Options Services with Nasdaq Execution Services.6 This proposed change is non-substantive.

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. The removal of references to “Nasdaq Options Services” or “NOS” and, where applicable, replacement with “Nasdaq Execution Services” or “NES” will avoid confusion.

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

Pursuant to Section 19(b)(3)(A) of the Act and Rule 19b–4(f)(3) thereof, the Exchange has designated this proposal as one that is concerned solely with the administration of the self-regulatory organization, and therefore has become effective. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if

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