

Required fields are shown with yellow backgrounds and asterisks.

Filing by Nasdaq MRX, LLC
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			Rule		
Pilot	Extension of Time Period for Commission Action *	Date Expires *	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<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) *	Section 806(e)(2) *
<input type="checkbox"/>	<input type="checkbox"/>
	Section 3C(b)(2) *
	<input type="checkbox"/>

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

Description

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

Proposal to amend Options 7, Section 5 to adopt an Options Regulatory Fee.

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 02/01/2019 Global Chief Legal and Policy Officer

By Edward S. Knight

edward.knight@nasdaq.com

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 *

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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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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

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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 MRX, LLC (“Exchange” or “MRX”), 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 (“Commission”) a proposal to amend Options 7, Section 5 to adopt an Options Regulatory Fee or “ORF”.

A notice of the proposed rule change for publication in the Federal Register is at Exhibit 1. The text of the proposed rule change is at 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 26, 2018. 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

MRX proposes to amend its rules at Options 7, Section 5 to adopt an ORF. Specifically, MRX proposes to adopt an ORF of \$0.0004 per contract side as of February 1, 2019 at Options 7, Section 5, A. The Exchange proposes to re-letter current "A" (FINRA Web CRD Fees) as "B." MRX has been operating since 2016. Initially MRX did not adopt an ORF as it was a new market. MRX proposes to adopt an ORF at this time. The Exchange's proposed ORF should balance the Exchange's regulatory revenue against the anticipated regulatory costs.

Collection of ORF

MRX would assess the proposed ORF for each customer option transaction that is either: (1) executed by a Member on MRX; or (2) cleared by a MRX Member at The Options Clearing Corporation ("OCC") in the customer range,³ even if the transaction was executed by a non-member of MRX, regardless of the exchange on which the transaction occurs.⁴ If the OCC Clearing Member is an MRX Member, ORF would be assessed and collected on all cleared customer contracts (after adjustment for CMTA)⁵; and (2) if the OCC Clearing Member is not a MRX Member, ORF is collected only on

³ Members must record the appropriate account origin code on all orders at the time of entry in order. The Exchange represents that it has surveillances in place to verify that Members mark orders with the correct account origin code.

⁴ The Exchange would use reports from OCC when assessing and collecting the ORF.

⁵ CMTA or Clearing Member Trade Assignment is a form of "give-up" whereby the position will be assigned to a specific clearing firm at OCC.

the cleared customer contracts executed at MRX, taking into account any CMTA instructions which may result in collecting the ORF from a non-member.

By way of example, if Broker A, an MRX Member, routed a customer order to Cboe Exchange, Inc. (“CBOE”) and the transaction executed on CBOE and cleared in Broker A’s OCC Clearing account, ORF would be collected by MRX from Broker A’s clearing account at OCC via direct debit. While in this example the transaction was executed on a market other than MRX, it was cleared by an MRX Member in the member’s OCC clearing account in the customer range, therefore there would be a regulatory nexus between MRX and the transaction. If Broker A was not an MRX Member, then no ORF should be assessed and collected because there is no nexus; the transaction did not execute on MRX nor was it cleared by an MRX Member.

In the case where a Member both executed a transaction and cleared the transaction, the ORF would be assessed to and collected from that Member. In the case where a Member executed a transaction and a different Member cleared the transaction, the ORF would be assessed to and collected from the Member who cleared the transaction and not the Member who executed the transaction. In the case where a non-member executed a transaction at an away market and a Member cleared the transaction, the ORF would be assessed to and collected from the Member who cleared the transaction. In the case where a Member executed a transaction on MRX and a non-member cleared the transaction, the ORF would be assessed to the Member that executed the transaction on MRX and collected from the non-member who cleared the transaction. In the case where a Member executed a transaction at an away market and a non-Member cleared the transaction, the ORF would not be assessed to the Member who executed the

transaction or collected from the non-member who cleared the transaction because the Exchange would not have access to the data to make absolutely certain that ORF should apply. Further, the data would not allow the Exchange to identify the Member executing the trade at an away market.

ORF Revenue and Monitoring of ORF

The Exchange would monitor the amount of revenue collected from the ORF to ensure that it, in combination with other regulatory fees and fines, would not exceed regulatory costs. In determining whether an expense is considered a regulatory cost, the Exchange would review all costs and make determinations if there is a nexus between the expense and a regulatory function. The Exchange notes that fines collected by the Exchange in connection with a disciplinary matter would offset ORF.

The ORF is designed to recover a material portion of the costs to the Exchange of the supervision and regulation of its members, including performing routine surveillances, investigations, examinations, financial monitoring, and policy, rulemaking, interpretive, and enforcement activities.

The Exchange believes that revenue generated from the ORF, when combined with all of the Exchange's other regulatory fees, would cover a material portion, but not all, of the Exchange's regulatory costs. The Exchange would monitor the amount of revenue collected from the ORF to ensure that it, in combination with its other regulatory fees and fines, would not exceed regulatory costs. If the Exchange determines regulatory revenues exceed regulatory costs, the Exchange would adjust the ORF by submitting a fee change filing to the Commission.

The Exchange notified Members via an Options Trader Alert of the proposed change to the ORF thirty (30) calendar days prior to the proposed operative date,

February 1, 2019.⁶ The Exchange believes that the prior notification will ensure Members are prepared to configure their systems to properly account for the ORF.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act⁷ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act⁸ 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 its facility and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that adopting an ORF of \$0.0004 per contract side as of February 1, 2019 is reasonable because the Exchange's collection of ORF would be balanced against the amount of regulatory costs incurred by the Exchange. Specifically, the ORF would balance the Exchange's regulatory revenue against the anticipated regulatory costs. The Exchange notes that other options markets have adopted an ORF.⁹

The Exchange believes that adopting an ORF of \$0.0004 per contract side as of February 1, 2019 is equitable and not unfairly discriminatory because assessing the ORF to each Member for options transactions cleared by OCC in the customer range where the execution occurs on another exchange and is cleared by an MRX Member would be an equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities. The ORF would be collected by OCC on

⁶ See Options Trader Alert #2018-46.

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(4) and (5).

⁹ CBOE, Nasdaq Phlx LLC, The Nasdaq Options Market LLC, Nasdaq ISE, LLC, BOX Exchange LLC and Miami International Securities Exchange LLC are examples of options markets that have adopted an ORF.

behalf of MRX from Exchange clearing members for all customer transactions they clear or from non-members for all customer transactions they clear that were executed on MRX. The Exchange believes the ORF would ensure fairness by assessing fees to Members based on the amount of customer options business they conduct. Regulating customer trading activity is much more labor intensive and requires greater expenditure of human and technical resources than regulating non-customer trading activity, which tends to be more automated and less labor-intensive. As a result, the costs associated with administering the customer component of the Exchange's overall regulatory program are materially higher than the costs associated with administering the non-customer component (*e.g.*, Member proprietary transactions) of its regulatory program.

The ORF would be designed to recover a material portion of the costs of supervising and regulating Members' customer options business including performing routine surveillances, investigations, examinations, financial monitoring, and policy, rulemaking, interpretive, and enforcement activities. The Exchange would monitor the amount of revenue collected from the ORF to ensure that it, in combination with its other regulatory fees and fines, would not exceed the Exchange's total regulatory costs. The Exchange has designed the ORF to generate revenues that, when combined with all of the Exchange's other regulatory fees, would be less than or equal to the Exchange's regulatory costs, which is consistent with the Commission's view that regulatory fees be used for regulatory purposes and not to support the Exchange's business side.

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. This proposal does not create an unnecessary or inappropriate intra-market burden

on competition because the ORF would apply to all customer activity, thereby raising regulatory revenue to offset regulatory expenses. It would also supplement the regulatory revenue derived from non-customer activity. This proposal does not create an unnecessary or inappropriate inter-market burden on competition because it is a regulatory fee that supports regulation in furtherance of the purposes of the Act. The Exchange is obligated to ensure that the amount of regulatory revenue collected from the ORF, in combination with its other regulatory fees and fines, would not exceed regulatory costs.

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,¹⁰ MRX 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.

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

¹⁰ 15 U.S.C. 78s(b)(3)(A)(ii).

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

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 for publication in the Federal Register.
5. Text of the proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-MRX-2019-03)

February __, 2019

Self-Regulatory Organizations; Nasdaq MRX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Adopt an Options Regulatory Fee

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹, and Rule 19b-4 thereunder,² notice is hereby given that on February 1, 2019, 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, 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 Options 7, Section 5 to adopt an Options Regulatory Fee or “ORF”.

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

MRX proposes to amend its rules at Options 7, Section 5 to adopt an ORF. Specifically, MRX proposes to adopt an ORF of \$0.0004 per contract side as of February 1, 2019 at Options 7, Section 5, A. The Exchange proposes to re-letter current "A" (FINRA Web CRD Fees) as "B." MRX has been operating since 2016. Initially MRX did not adopt an ORF as it was a new market. MRX proposes to adopt an ORF at this time. The Exchange's proposed ORF should balance the Exchange's regulatory revenue against the anticipated regulatory costs.

Collection of ORF

MRX would assess the proposed ORF for each customer option transaction that is either: (1) executed by a Member on MRX; or (2) cleared by a MRX Member at The Options Clearing Corporation ("OCC") in the customer range,³ even if the transaction was executed by a non-member of MRX, regardless of the exchange on which the transaction occurs.⁴ If the OCC Clearing Member is an MRX Member, ORF would be

³ Members must record the appropriate account origin code on all orders at the time of entry in order. The Exchange represents that it has surveillances in place to verify that Members mark orders with the correct account origin code.

⁴ The Exchange would use reports from OCC when assessing and collecting the ORF.

assessed and collected on all cleared customer contracts (after adjustment for CMTA)⁵; and (2) if the OCC Clearing Member is not a MRX Member, ORF is collected only on the cleared customer contracts executed at MRX, taking into account any CMTA instructions which may result in collecting the ORF from a non-member.

By way of example, if Broker A, an MRX Member, routed a customer order to Cboe Exchange, Inc. (“CBOE”) and the transaction executed on CBOE and cleared in Broker A’s OCC Clearing account, ORF would be collected by MRX from Broker A’s clearing account at OCC via direct debit. While in this example the transaction was executed on a market other than MRX, it was cleared by an MRX Member in the member’s OCC clearing account in the customer range, therefore there would be a regulatory nexus between MRX and the transaction. If Broker A was not an MRX Member, then no ORF should be assessed and collected because there is no nexus; the transaction did not execute on MRX nor was it cleared by an MRX Member.

In the case where a Member both executed a transaction and cleared the transaction, the ORF would be assessed to and collected from that Member. In the case where a Member executed a transaction and a different Member cleared the transaction, the ORF would be assessed to and collected from the Member who cleared the transaction and not the Member who executed the transaction. In the case where a non-member executed a transaction at an away market and a Member cleared the transaction, the ORF would be assessed to and collected from the Member who cleared the transaction. In the case where a Member executed a transaction on MRX and a non-member cleared the transaction, the ORF would be assessed to the Member that executed

⁵ CMTA or Clearing Member Trade Assignment is a form of “give-up” whereby the position will be assigned to a specific clearing firm at OCC.

the transaction on MRX and collected from the non-member who cleared the transaction. In the case where a Member executed a transaction at an away market and a non-Member cleared the transaction, the ORF would not be assessed to the Member who executed the transaction or collected from the non-member who cleared the transaction because the Exchange would not have access to the data to make absolutely certain that ORF should apply. Further, the data would not allow the Exchange to identify the Member executing the trade at an away market.

ORF Revenue and Monitoring of ORF

The Exchange would monitor the amount of revenue collected from the ORF to ensure that it, in combination with other regulatory fees and fines, would not exceed regulatory costs. In determining whether an expense is considered a regulatory cost, the Exchange would review all costs and make determinations if there is a nexus between the expense and a regulatory function. The Exchange notes that fines collected by the Exchange in connection with a disciplinary matter would offset ORF.

The ORF is designed to recover a material portion of the costs to the Exchange of the supervision and regulation of its members, including performing routine surveillances, investigations, examinations, financial monitoring, and policy, rulemaking, interpretive, and enforcement activities.

The Exchange believes that revenue generated from the ORF, when combined with all of the Exchange's other regulatory fees, would cover a material portion, but not all, of the Exchange's regulatory costs. The Exchange would monitor the amount of revenue collected from the ORF to ensure that it, in combination with its other regulatory fees and fines, would not exceed regulatory costs. If the Exchange determines regulatory

revenues exceed regulatory costs, the Exchange would adjust the ORF by submitting a fee change filing to the Commission.

The Exchange notified Members via an Options Trader Alert of the proposed change to the ORF thirty (30) calendar days prior to the proposed operative date, February 1, 2019.⁶ The Exchange believes that the prior notification will ensure Members are prepared to configure their systems to properly account for the ORF.

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 Sections 6(b)(4) and 6(b)(5) of the Act⁸ 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 its facility and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that adopting an ORF of \$0.0004 per contract side as of February 1, 2019 is reasonable because the Exchange's collection of ORF would be balanced against the amount of regulatory costs incurred by the Exchange. Specifically, the ORF would balance the Exchange's regulatory revenue against the anticipated regulatory costs. The Exchange notes that other options markets have adopted an ORF.⁹

The Exchange believes that adopting an ORF of \$0.0004 per contract side as of February 1, 2019 is equitable and not unfairly discriminatory because assessing the ORF

⁶ See Options Trader Alert #2018-46.

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(4) and (5).

⁹ CBOE, Nasdaq Phlx LLC, The Nasdaq Options Market LLC, Nasdaq ISE, LLC, BOX Exchange LLC and Miami International Securities Exchange LLC are examples of options markets that have adopted an ORF.

to each Member for options transactions cleared by OCC in the customer range where the execution occurs on another exchange and is cleared by an MRX Member would be an equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities. The ORF would be collected by OCC on behalf of MRX from Exchange clearing members for all customer transactions they clear or from non-members for all customer transactions they clear that were executed on MRX. The Exchange believes the ORF would ensure fairness by assessing fees to Members based on the amount of customer options business they conduct. Regulating customer trading activity is much more labor intensive and requires greater expenditure of human and technical resources than regulating non-customer trading activity, which tends to be more automated and less labor-intensive. As a result, the costs associated with administering the customer component of the Exchange's overall regulatory program are materially higher than the costs associated with administering the non-customer component (*e.g.*, Member proprietary transactions) of its regulatory program.

The ORF would be designed to recover a material portion of the costs of supervising and regulating Members' customer options business including performing routine surveillances, investigations, examinations, financial monitoring, and policy, rulemaking, interpretive, and enforcement activities. The Exchange would monitor the amount of revenue collected from the ORF to ensure that it, in combination with its other regulatory fees and fines, would not exceed the Exchange's total regulatory costs. The Exchange has designed the ORF to generate revenues that, when combined with all of the Exchange's other regulatory fees, would be less than or equal to the Exchange's regulatory costs, which is consistent with the Commission's view that regulatory fees be

used for regulatory purposes and not to support the Exchange's business side.

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. This proposal does not create an unnecessary or inappropriate intra-market burden on competition because the ORF would apply to all customer activity, thereby raising regulatory revenue to offset regulatory expenses. It would also supplement the regulatory revenue derived from non-customer activity. This proposal does not create an unnecessary or inappropriate inter-market burden on competition because it is a regulatory fee that supports regulation in furtherance of the purposes of the Act. The Exchange is obligated to ensure that the amount of regulatory revenue collected from the ORF, in combination with its other regulatory fees and fines, would not exceed regulatory costs.

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.¹⁰ 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

¹⁰ 15 U.S.C. 78s(b)(3)(A)(ii).

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. Please include File Number SR-MRX-2019-03 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-2019-03. 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-MRX-2019-03 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.¹¹

Eduardo A. Aleman
Assistant Secretary

¹¹ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

New text is underlined; deleted text is in brackets.

Nasdaq MRX Rulebook

* * * * *

Options Rules

* * * * *

Options 7 Pricing Schedule

* * * * *

Section 5. Legal & Regulatory

A. Options Regulatory Fee

The ORF is \$0.0004 per contract side as of February 1, 2019.

The Options Regulatory Fee (“ORF”) is assessed by MRX to each MRX Member for options transactions cleared by The Options Clearing Corporation (“OCC”) in the customer range where: (1) the execution occurs on MRX or (2) the execution occurs on another exchange and is cleared by a MRX Member. The ORF is collected by OCC on behalf of MRX from (1) MRX clearing members for all customer transactions they clear or (2) non-members for all customer transactions they clear that were executed on MRX. MRX uses reports from OCC when assessing and collecting ORF. The Exchange will notify Members via an Options Trader Alert of any change in the amount of the fee at least 30 calendar days prior to the effective date of the change.

[A]B. FINRA Web CRD Fees

* * * * *