OMB APPROVAL
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Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No.* SR - 2012 - * 45
Amendment No. (req. for Amendments *)

Proposed Rule Change by NASDAQ OMX PHLX 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) *
☑	☐	☐	☐	☑	☐

Rule

- ☐ 19b-4(f)(1)
- ☐ 19b-4(f)(4)
- ☑ 19b-4(f)(2)
- ☐ 19b-4(f)(5)
- ☐ 19b-4(f)(3)
- ☐ 19b-4(f)(6)

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Exhibit 2 Sent As Paper Document ☐

Exhibit 3 Sent As Paper Document ☐

Description

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

A proposal to amend Section I of its Pricing Schedule to further incentivize market participants to transact SPDR S and P 500 options.

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 proposed rule change.

First Name * Angela
Last Name * Dunn
Title * Associate General Counsel
E-mail * angela.dunn@nasdaqomx.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 officer.

Date 04/02/2012

By Edward S. Knight
(Name *)

Executive Vice President and General Counsel
(Title *)

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.

Edward S Knight,

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information (required) 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 (required) 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 2 - Notices, Written Comments, Transcripts, Other Communications Add Remove View Exhibit Sent As Paper Document ☐	Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.
Exhibit 3 - Form, Report, or Questionnaire Add Remove View Exhibit Sent As Paper Document ☐	Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.
Exhibit 4 - Marked Copies Add Remove View	The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.
Exhibit 5 - Proposed Rule Text Add Remove View	The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.
Partial Amendment Add Remove View	If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) NASDAQ OMX PHLX LLC ("Phlx" or "Exchange"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b-4 thereunder,[2] proposes to amend Section I[3] of its Pricing Schedule to further incentivize market participants to transact SPDR S&P 500 ("SPY")[4] options.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1 and a copy of the applicable portion of the Exchange's Pricing Schedule is attached hereto 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 of the Exchange on August 19, 2011. Exchange staff will advise the Board of Directors of any action taken pursuant to delegated authority. No other action by the Exchange is necessary for the filing of the rule change.

Questions and comments on the proposed rule change may be directed to Angela Saccomandi Dunn, Associate General Counsel, at (215) 496-5692.

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 Section I of the Exchange's Pricing Schedule is entitled "Rebates and Fees for Adding and Removing Liquidity in Select Symbols."

4 SPY is one of the Select Symbols subject to the rebates and fees in Section I. A complete list of Select Symbols is included in Section I of the Pricing Schedule.

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

a. Purpose

The Exchange proposes to further incentivize Customers who transact Complex Orders in SPY. The Exchange currently pays a Customer Complex Order Rebate for Adding Liquidity of $0.32 per contract and a Customer Complex Order Rebate for Removing Liquidity of $0.06 per contract. The Exchange is proposing to amend Section I of the Pricing Schedule to specify that the Exchange will increase the Customer Complex Order Rebates for Adding and Removing Liquidity by $0.01 per contract for transactions in SPY. Therefore, Customer Complex Orders that add liquidity in SPY will receive a rebate of $0.33 per contract and Customer Complex Orders that remove liquidity in SPY will receive a rebate of $0.07 per contract.

b. Statutory Basis

The Exchange believes that its proposal to amend its Pricing Schedule is consistent with Section 6(b) of the Act[5] in general, and furthers the objectives of Section 6(b)(4) of the Act[6] in particular, in that it is an equitable allocation of reasonable fees and other charges among Exchange members and other persons using its facilities.

The Exchange’s proposal to further incentivize Customers who transact Complex Orders in SPY is reasonable because Customer Complex Orders are becoming an increasingly important segment of options trading. The Exchange believes that it is reasonable to further incentivize Customer Complex Orders by offering a $0.01 per contract incentive for SPY options in addition to the Customer Complex Order Rebates

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5 15 U.S.C. 78f(b).

6 15 U.S.C. 78f(b)(4).

for Adding and Removing Liquidity because the Exchange seeks to incentivize market participants to direct and transact a greater number of Customer Complex Orders at the Exchange, particularly in SPY. Creating these incentives and attracting Customer Complex Orders to the Exchange, in turn, benefits all market participants through increased liquidity at the Exchange. The Exchange's proposal to further incentivize Customers who transact Complex Orders in SPY is equitable and not unfairly discriminatory because the Exchange will uniformly pay an additional $0.01 per contract incentive in addition to the Customer Complex Order Rebates for Adding and Removing Liquidity to all Customer Complex Orders in SPY that receive the rebates.

Further, the Exchange also believes it is reasonable, equitable and not unfairly discriminatory to only offer rebates to Customers and not other market participants because Customer Complex Order flow brings unique benefits to the marketplace in terms of liquidity and order interaction. It is an important Exchange function to provide an opportunity to all market participants to trade against Customer Complex Orders.

In addition, the Exchange believes that paying an additional $0.01 per contract incentive in addition to the Customer Complex Order Rebates for Adding and Removing Liquidity in SPY, as compared to other option symbols, is reasonable, equitable and not unfairly discriminatory because any market participant is able to transact a Customer Complex Order in SPY and receive the additional rebate incentive regardless of volume. There is no requirement to transact a certain volume of Customer Complex Orders to qualify for the additional $0.01 per contract rebate incentive. Further, options overlying SPY are the most actively traded equity and ETF option in the United States (U.S.), accounting for more than 15% of the total volume on any given day.[7] Because of the substantial volume opportunity, the Exchange believes this additional $0.01 per contract incentive for SPY, as compared to other symbols, would continue to attract volume to the Exchange and benefit all market participants.

The Exchange operates in a highly competitive market, comprised of nine exchanges, in which market participants can easily and readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. Accordingly, the rebates paid by the Exchange must remain competitive with rebates offered by other venues and therefore must continue to be reasonable and equitably allocated to those members that opt to direct orders to the Exchange rather than competing venues.

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.

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.

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7 For March 2012, SPY options accounted for 17.21% of the total listed equity and ETF options volume traded in the U.S.

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,[8] the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed 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.

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. Exhibits

1. Notice of proposed rule for publication in the Federal Register.

5. Applicable portion of the Exchange's Pricing Schedule.

[8] 15 U.S.C. 78s(b)(3)(A)(ii).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. ; File No. SR-Phlx-2012-45)

April ___, 2012

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by NASDAQ OMX PHLX LLC Relating to Rebates for Adding and Removing Liquidity in SPY

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 April 2, 2012, NASDAQ OMX PHLX LLC ("Phlx" 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 Section I[3] of its Pricing Schedule to further incentivize market participants to transact SPDR S&P 500 ("SPY")[4] options.

The text of the proposed rule change is available on the Exchange's Website at http://nasdaqtrader.com/micro.aspx?id=PHLXRulefilings, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 Section I of the Exchange's Pricing Schedule is entitled "Rebates and Fees for Adding and Removing Liquidity in Select Symbols."

4 SPY is one of the Select Symbols subject to the rebates and fees in Section I. A complete list of Select Symbols is included in Section I of the Pricing Schedule.

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 further incentivize Customers who transact Complex Orders in SPY. The Exchange currently pays a Customer Complex Order Rebate for Adding Liquidity of $0.32 per contract and a Customer Complex Order Rebate for Removing Liquidity of $0.06 per contract. The Exchange is proposing to amend Section I of the Pricing Schedule to specify that the Exchange will increase the Customer Complex Order Rebates for Adding and Removing Liquidity by $0.01 per contract for transactions in SPY. Therefore, Customer Complex Orders that add liquidity in SPY will receive a rebate of $0.33 per contract and Customer Complex Orders that remove liquidity in SPY will receive a rebate of $0.07 per contract.

2. Statutory Basis

The Exchange believes that its proposal to amend its Pricing Schedule is consistent with Section 6(b) of the Act[5] in general, and furthers the objectives of Section

[5] 15 U.S.C. 78f(b).

6(b)(4) of the Act[6] in particular, in that it is an equitable allocation of reasonable fees and other charges among Exchange members and other persons using its facilities.

The Exchange's proposal to further incentivize Customers who transact Complex Orders in SPY is reasonable because Customer Complex Orders are becoming an increasingly important segment of options trading. The Exchange believes that it is reasonable to further incentivize Customer Complex Orders by offering a $0.01 per contract incentive for SPY options in addition to the Customer Complex Order Rebates for Adding and Removing Liquidity because the Exchange seeks to incentivize market participants to direct and transact a greater number of Customer Complex Orders at the Exchange, particularly in SPY. Creating these incentives and attracting Customer Complex Orders to the Exchange, in turn, benefits all market participants through increased liquidity at the Exchange. The Exchange's proposal to further incentivize Customers who transact Complex Orders in SPY is equitable and not unfairly discriminatory because the Exchange will uniformly pay an additional $0.01 per contract incentive in addition to the Customer Complex Order Rebates for Adding and Removing Liquidity to all Customer Complex Orders in SPY that receive the rebates.

Further, the Exchange also believes it is reasonable, equitable and not unfairly discriminatory to only offer rebates to Customers and not other market participants because Customer Complex Order flow brings unique benefits to the marketplace in terms of liquidity and order interaction. It is an important Exchange function to provide an opportunity to all market participants to trade against Customer Complex Orders.

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[6] 15 U.S.C. 78f(b)(4).

In addition, the Exchange believes that paying an additional $0.01 per contract incentive in addition to the Customer Complex Order Rebates for Adding and Removing Liquidity in SPY, as compared to other option symbols, is reasonable, equitable and not unfairly discriminatory because any market participant is able to transact a Customer Complex Order in SPY and receive the additional rebate incentive regardless of volume. There is no requirement to transact a certain volume of Customer Complex Orders to qualify for the additional $0.01 per contract rebate incentive. Further, options overlying SPY are the most actively traded equity and ETF option in the United States (U.S.), accounting for more than 15% of the total volume on any given day.[7] Because of the substantial volume opportunity, the Exchange believes this additional $0.01 per contract incentive for SPY, as compared to other symbols, would continue to attract volume to the Exchange and benefit all market participants.

The Exchange operates in a highly competitive market, comprised of nine exchanges, in which market participants can easily and readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. Accordingly, the rebates paid by the Exchange must remain competitive with rebates offered by other venues and therefore must continue to be reasonable and equitably allocated to those members that opt to direct orders to the Exchange rather than competing venues.

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[7] For March 2012, SPY options accounted for 17.21% of the total listed equity and ETF options volume traded in the U.S.

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.

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.[8] 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 necessary or appropriate in the public interest, for the protection of investors, or 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

[8] 15 U.S.C. 78s(b)(3)(A)(ii).

- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-Phlx-2012-45 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-Phlx-2012-45. 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-Phlx-2012-45 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.[9]

Kevin M O'Neill
Deputy Secretary

[9] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

New text is underlined; deleted text is in brackets.

NASDAQ OMX PHLX LLC
PRICING SCHEDULE

* * * * *

I. Rebates and Fees for Adding and Removing Liquidity in Select Symbols

* * * * *

Part B. Complex Order

	Customer	Directed Participant	Market Maker	Firm	Broker-Dealer	Professional
Rebate for Adding Liquidity	$0.32	$0.00	$0.00	$0.00	$0.00	$0.00
Rebate for Removing Liquidity	$0.06	$0.00	$0.00	$0.00	$0.00	$0.00
Fee for Adding Liquidity	$0.00	$0.10	$0.10	$0.20	$0.20	$0.20
Fee for Removing Liquidity	$0.00	$0.32	$0.37	$0.38	$0.38	$0.38

● <u>Customer Complex Order Rebates for Adding and Removing Liquidity will be increased by $0.01 per contract only in SPY.</u>

● Market Makers that execute more than 25,000 contracts per day in a month of Complex Orders, either adding or removing liquidity, in Select Symbols are entitled to a $0.01 per contract reduction of both the Directed Participant and Market Maker Complex Order Fees for Removing Liquidity, as applicable, on all of their transactions for the month. In calculating the 25,000 contracts per day in a month, the trading activity of Market Makers will be aggregated if there is at least 75% common ownership between the member organizations.

●Single contra-side orders that are executed against the individual components of Complex Orders will be assessed the fees in Part A. However, the individual components of such a Complex Order will be assessed the fees in Part B.

* * * * *