

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 31	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2015 - * 38	Amendment No. (req. for Amendments *)	
Filing by NASDAQ OMX PHLX 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"/>
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input checked="" type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input type="checkbox"/> 19b-4(f)(6)		
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * <input type="checkbox"/>			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 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"/>			
Description Provide a brief description of the action (limit 250 characters, required when Initial is checked *). <input type="text" value="A proposal to amend the Exchange Pricing Schedule under Section VIII, entitled NASDAQ OMX PSX FEES."/>					
Contact Information Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action. First Name * <input type="text" value="Jonathan"/> Last Name * <input type="text" value="Cayne"/> Title * <input type="text" value="Senior Associate General Counsel"/> E-mail * <input type="text" value="jonathan.cayne@nasdaq.com"/> Telephone * <input type="text" value="(301) 978-8493"/> Fax <input type="text" value="(301) 978-8472"/>					
Signature Pursuant to the requirements of the Securities Exchange Act of 1934, has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized. (Title *) Date <input type="text" value="04/30/2015"/> Executive Vice President and General Counsel By <input type="text" value="Edward S. Knight"/> <input type="text" value=""/> (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.					
<input type="button" value="Digitally Sign and Lock Form"/>					

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 *

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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 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

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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

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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

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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 the Exchange’s Pricing Schedule under Section VIII, entitled “NASDAQ OMX PSX FEES,” with respect to execution and routing of orders in securities priced at \$1 or more per share.

While the changes proposed herein are effective upon filing, the Exchange has designated the amendments become operative on May 1, 2015.

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 July 16, 2014. 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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Questions and comments on the proposed rule change may be directed to Jonathan F. Cayne, Senior Associate General Counsel, The NASDAQ OMX Group, Inc., at (301) 978-8493.

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

a. Purpose

The purpose of the proposed rule change is to amend certain charges and fees for order execution and routing applicable to the use of the order execution and routing services of the NASDAQ OMX PSX System ("PSX") by member organizations for all securities traded at \$1 or more per share.

Specifically, the charge to a member organization that executes in PSX will increase to \$0.0029 per share executed regardless of where the shares are listed. This means an increase from: (i) \$0.0026 to \$0.0029 per share executed for shares executed in The NASDAQ Stock Market LLC ("Nasdaq")-listed securities; (ii) \$0.0025 to \$0.0029 per share executed for shares executed in New York Stock Exchange ("NYSE")-listed securities; and (iii) \$0.0026 to \$0.0029 per share executed for shares in securities listed on exchanges other than Nasdaq or NYSE. The Exchange believes that these increases enable it to balance the need to fund credits and operational costs.

The Exchange will also increase certain credits to member organizations that provide liquidity through PSX. Specifically, the credit to a member organization that executes in PSX for a displayed quote/order will increase from \$0.0025 to \$0.0028 per share executed for quotes/orders entered by a member organization that provides and accesses 0.35% or more of Consolidated Volume during the month - previously this rate required adding 0.12% of Consolidated Volume. This change also eliminates the

requirements that (i) the quote/order is entered through a PSX Market Participant ID (“MPID”) through which the member organization displays, on average over the course of the month, 100 shares or more at the national best bid and/or national best offer at least 25% of the time during regular market hours in the security that is the subject of the quote/order, or (ii) the member organization displays, on average over the course of the month, 100 shares or more at the national best bid and/or national best offer at least 25% of the time during regular market hours in 500 or more securities. The Exchange believes that eliminating these requirements will encourage firms to participate in PSX by allowing their participation in the market to define the credit rate they receive.

The Exchange will also increase the credit to a member organization that executes in PSX for a displayed quote/order from \$0.0024 to \$0.0027 per share executed for quotes/orders entered by a member organization that provides and accesses 0.25% or more of Consolidated Volume during the month - previously this rate required adding 0.04% of Consolidated Volume.

The Exchange will similarly increase the credit to a member organization that executes in PSX for a displayed quote/order from \$0.0021 to \$0.0025 per share executed for quotes/orders entered by a member organization that provides and accesses 0.05% or more of Consolidated Volume during the month - previously this required that the member organization provide an average daily volume of 100,000 or more.

The Exchange is also adding two new tiers for displayed quotes/orders. The first is a tier of \$0.0023 per share executed for quotes/orders entered by a member organization that provides and accesses daily volume of 100,000 or more shares during the month. The second is a tier for displayed quotes/orders with an order size of 2,000 or

more shares that will receive a \$0.0001 credit in addition to the credits discussed above. Orders modified by the PSX participant entering the order or by the PSX System processes so that after such modification the unexecuted order size is below 2,000 shares will no longer qualify as an order of 2,000 or more shares.

The Exchange will also increase the credit to a member organization that executes in PSX for all other displayed quotes/orders from \$0.0015 to \$0.0020 per share executed.

The Exchange is also adding a new credit tier for non-displayed orders of a \$0.0015 per share executed credit for orders with midpoint pegging that provide liquidity entered by a member organization that provides 1,000,000 shares or more average daily volume of non-displayed liquidity during the month.

Finally, the Exchange is expanding the credit tier for non-displayed orders of \$0.0010 per share executed credit for orders with midpoint pegging that provide liquidity to apply to all other orders with midpoint pegging that provide liquidity.

b. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,³ in general, and with Section 6(b)(4) and 6(b)(5) of the Act,⁴ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which the Exchange operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

³ 15 U.S.C. 78f.

⁴ 15 U.S.C. 78f(b)(4) and (5).

The proposed increases to the credits and charges in the fee schedule under the Exchange's Pricing Schedule under Section VIII are reflective of the Exchange's ongoing efforts to use pricing incentive programs to attract order flow to the Exchange and improve market quality. The goal of these pricing incentives is to provide meaningful incentives for members to increase their participation on the Exchange.

First, the Exchange is proposing modest increases to the charges that a member organization entering an order that executes in PSX from: (i) \$0.0026 to \$0.0029 per share executed for shares executed in Nasdaq-listed securities; (ii) \$0.0025 to \$0.0029 per share executed for shares executed in NYSE-listed securities; and (iii) \$0.0026 to \$0.0029 per share executed for shares in securities listed on exchanges other than Nasdaq or NYSE. The Exchange believes that these modest increases are reasonable because they reflect the Exchange's need to adjust its credits and fees in response to the costs and benefits provided by the Exchange. Additionally, these modest increases are reasonable because the Exchange is able to balance the need to fund credits and operational costs.

The Exchange also believes that the proposed changes are consistent with an equitable allocation of fees and are not unfairly discriminatory because they apply to all member organizations that enter orders that execute in PSX and affects all members equally in the same way.

Next, the Exchange proposes to increase the credit to a member organization that executes in PSX for a displayed quote/order from \$0.0025 to \$0.0028 per share executed for quotes/orders entered by a member organization that provides and accesses 0.35% or more of Consolidated Volume during the month (previously this rate required adding 0.12% of Consolidated Volume) and eliminate the requirements that (i) the quote/order

is entered through a PSX MPID through which the member organization displays, on average over the course of the month, 100 shares or more at the national best bid and/or national best offer at least 25% of the time during regular market hours in the security that is the subject of the quote/order, or (ii) the member organization displays, on average over the course of the month, 100 shares or more at the national best bid and/or national best offer at least 25% of the time during regular market hours in 500 or more securities. The Exchange believes these changes are reasonable because increasing the credit and replacing the qualifying requirements with a single increased “provides and accesses Consolidated Volume” requirement provides member organizations with a simpler, less confusing process for determining eligibility for the credit. Additionally, the Exchange believes increasing this pricing incentive will provide meaningful incentives for members to increase their participation on the Exchange. The Exchange believes including “accesses” as part of the criteria will increase the quality of the market by allowing firms to decide how to participate most meaningfully on PSX. The requirement to provide and access 0.35% is reasonable because by achieving this activity level firms will be improving the market quality on PSX and thus receive a correspondingly higher credit than those firms that do not participate as actively on PSX. The Exchange also believes that the proposed rule change is consistent with an equitable allocation of fees and is not unfairly discriminatory because it affects all members equally and in the same way.

The Exchange also proposes to increase the credit to a member organization that executes in PSX for a displayed quote/order from \$0.0024 to \$0.0027 per share executed for quotes/orders entered by a member organization that provides and accesses 0.25% or more of Consolidated Volume during the month - previously this rate required adding

0.04% of Consolidated Volume. The Exchange believes the proposed change is reasonable because increasing this pricing incentive will provide meaningful incentives for members to increase their participation on the Exchange. The Exchange believes including “accesses” as part of the criteria will increase the quality of the market by allowing firms to decide how to participate most meaningfully on PSX. The requirement to provide and access 0.25% is reasonable because by achieving this activity level firms will be improving the market quality on PSX and thus receive a correspondingly higher credit than those firms that do not participate as actively on PSX. The Exchange also believes that the proposed rule change is consistent with an equitable allocation of fees and is not unfairly discriminatory because it affects all members equally and in the same way.

Additionally, the Exchange proposes to increase the credit to a member organization that executes in PSX for a displayed quote/order from \$0.0021 to \$0.0025 per share executed for quotes/orders entered by a member organization that provides and accesses 0.05% or more of Consolidated Volume during the month - previously this required that the member organization provide an average daily volume of 100,000 or more. The Exchange believes the proposed rule change is reasonable because increasing this pricing incentive will provide meaningful incentives for members to increase their participation on the Exchange. The Exchange believes including “accesses” as part of the criteria will increase the quality of the market by allowing firms to decide how to participate most meaningfully on PSX. The requirement to provide and access 0.05% is reasonable because by achieving this activity level firms will be improving the market quality on PSX and thus receive a correspondingly higher credit than those firms that do

not participate as actively on PSX. The Exchange also believes that the proposed rule change is consistent with an equitable allocation of fees and is not unfairly discriminatory because it affects all members equally and in the same way.

The Exchange also proposes to add two new tiers for displayed quotes/orders. The first new credit tier is \$0.0023 per share executed for quotes/orders entered by a member organization that provides and accesses daily volume of 100,000 or more shares during the month. The Exchange believes the proposed rule change is reasonable because this new credit tier will provide an additional meaningful incentive for members to increase their participation on the Exchange. The Exchange also believes that the proposed rule change is consistent with an equitable allocation of fees and is not unfairly discriminatory because it affects all members equally and in the same way.

The second proposed new credit tier is for displayed quotes/orders with an order size of 2,000 or more shares that will receive a \$0.0001 credit in addition to the credits discussed above. Orders modified by the PSX participant entering the order or by the PSX System processes so that after such modification the unexecuted order size is below 2,000 shares will no longer qualify as an order of 2,000 or more shares. The Exchange believes the proposed rule change is reasonable because this new credit tier will provide an additional meaningful incentive for members to increase their participation on the Exchange. The Exchange also believes that the proposed rule change is consistent with an equitable allocation of fees and is not unfairly discriminatory because it affects all members equally and in the same way by allowing members to receive an additional \$0.0001 credit per share executed in addition to the credits previously discussed by using relatively large orders of 2,000 or more shares.

The Exchange believes that the proposed rule change to increase the credit to a member organization that executes in PSX for all other displayed quotes/orders from \$0.0015 to \$0.0020 per share executed is reasonable because increasing this pricing incentive will provide a meaningful incentive for members to increase their participation on the Exchange. The Exchange also believes that the proposed rule change is consistent with an equitable allocation of fees and is not unfairly discriminatory because it affects all members equally and in the same way.

The Exchange believes that the proposed rule change to add a new credit tier for non-displayed orders of \$0.0015 per share executed for orders with midpoint pegging that provide liquidity entered by a member organization that provides 1,000,000 shares or more average daily volume of non-displayed liquidity during the month change is reasonable because this new credit tier will provide an additional meaningful incentive for members to increase their participation on the Exchange. The Exchange also believes that the proposed rule change is consistent with an equitable allocation of fees and is not unfairly discriminatory because the new credit tier is uniformly available to all members and affects all members equally and in the same way.

The Exchange also believes that the proposed rule change to expand the credit tier for non-displayed orders of \$0.0010 per share executed credit for orders with midpoint pegging that provide liquidity to apply to all other orders with midpoint pegging that provide liquidity is reasonable because it clarifies the treatment of all other orders with midpoint pegging that provide liquidity with the addition of the new credit tier discussed in the paragraph immediately above. The Exchange also believes that the proposed rule

change is consistent with an equitable allocation of fees and is not unfairly discriminatory because it affects all members equally and in the same way.

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

The Exchange does not believe that the proposed rule changes will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.⁵ Phlx notes that it operates in a highly competitive market in which market participants can readily favor dozens of different competing exchanges and alternative trading systems if they deem charges at a particular venue to be excessive, or credit opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its charges and credits to remain competitive with other exchanges. Because competitors are free to modify their own charges and credits in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which changes to charges and credits in this market may impose any burden on competition is extremely limited.

In this instance, the changes to charges and credits do not impose a burden on competition because the Exchange membership is optional and is the subject of competition from other exchanges. The increased credits and charges are reflective of the intent to increase the order flow on the Exchange. For these reasons, the Exchange does not believe that any of the proposed changes will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets. Moreover, because there are numerous competitive alternatives to the use of the

⁵ 15 U.S.C. 78f(b)(8).

Exchange, it is likely that the Exchange will lose market share as a result of the changes if they are unattractive to market participants.

Accordingly, Phlx does not believe that the proposed rule changes will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets.

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,⁶ 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. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

⁶ 15 U.S.C. 78s(b)(3)(A)(ii).

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 Rule Change.

EXHIBIT 1SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-Phlx-2015-38)

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Exchange's Pricing Schedule under Section VIII with Respect to Execution and Routing of Orders in Securities Priced at \$1 or More Per Share

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 30, 2015, 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 the Exchange's Pricing Schedule under Section VIII, entitled "NASDAQ OMX PSX FEES," with respect to execution and routing of orders in securities priced at \$1 or more per share.

While the changes proposed herein are effective upon filing, the Exchange has designated the amendments become operative on May 1, 2015.

The text of the proposed rule change is available on the Exchange's Website at <http://nasdaqomxphlx.cchwallstreet.com/>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 purpose of the proposed rule change is to amend certain charges and fees for order execution and routing applicable to the use of the order execution and routing services of the NASDAQ OMX PSX System ("PSX") by member organizations for all securities traded at \$1 or more per share.

Specifically, the charge to a member organization that executes in PSX will increase to \$0.0029 per share executed regardless of where the shares are listed. This means an increase from: (i) \$0.0026 to \$0.0029 per share executed for shares executed in The NASDAQ Stock Market LLC ("Nasdaq")-listed securities; (ii) \$0.0025 to \$0.0029 per share executed for shares executed in New York Stock Exchange ("NYSE")-listed securities; and (iii) \$0.0026 to \$0.0029 per share executed for shares in securities listed on exchanges other than Nasdaq or NYSE. The Exchange believes that these increases enable it to balance the need to fund credits and operational costs.

The Exchange will also increase certain credits to member organizations that provide liquidity through PSX. Specifically, the credit to a member organization that executes in PSX for a displayed quote/order will increase from \$0.0025 to \$0.0028 per

share executed for quotes/orders entered by a member organization that provides and accesses 0.35% or more of Consolidated Volume during the month - previously this rate required adding 0.12% of Consolidated Volume. This change also eliminates the requirements that (i) the quote/order is entered through a PSX Market Participant ID (“MPID”) through which the member organization displays, on average over the course of the month, 100 shares or more at the national best bid and/or national best offer at least 25% of the time during regular market hours in the security that is the subject of the quote/order, or (ii) the member organization displays, on average over the course of the month, 100 shares or more at the national best bid and/or national best offer at least 25% of the time during regular market hours in 500 or more securities. The Exchange believes that eliminating these requirements will encourage firms to participate in PSX by allowing their participation in the market to define the credit rate they receive.

The Exchange will also increase the credit to a member organization that executes in PSX for a displayed quote/order from \$0.0024 to \$0.0027 per share executed for quotes/orders entered by a member organization that provides and accesses 0.25% or more of Consolidated Volume during the month - previously this rate required adding 0.04% of Consolidated Volume.

The Exchange will similarly increase the credit to a member organization that executes in PSX for a displayed quote/order from \$0.0021 to \$0.0025 per share executed for quotes/orders entered by a member organization that provides and accesses 0.05% or more of Consolidated Volume during the month - previously this required that the member organization provide an average daily volume of 100,000 or more.

The Exchange is also adding two new tiers for displayed quotes/orders. The first is a tier of \$0.0023 per share executed for quotes/orders entered by a member organization that provides and accesses daily volume of 100,000 or more shares during the month. The second is a tier for displayed quotes/orders with an order size of 2,000 or more shares that will receive a \$0.0001 credit in addition to the credits discussed above. Orders modified by the PSX participant entering the order or by the PSX System processes so that after such modification the unexecuted order size is below 2,000 shares will no longer qualify as an order of 2,000 or more shares.

The Exchange will also increase the credit to a member organization that executes in PSX for all other displayed quotes/orders from \$0.0015 to \$0.0020 per share executed.

The Exchange is also adding a new credit tier for non-displayed orders of a \$0.0015 per share executed credit for orders with midpoint pegging that provide liquidity entered by a member organization that provides 1,000,000 shares or more average daily volume of non-displayed liquidity during the month.

Finally, the Exchange is expanding the credit tier for non-displayed orders of \$0.0010 per share executed credit for orders with midpoint pegging that provide liquidity to apply to all other orders with midpoint pegging that provide liquidity.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,³ in general, and with Section 6(b)(4) and 6(b)(5) of the Act,⁴ in particular, in that it provides for the equitable allocation of reasonable dues, fees

³ 15 U.S.C. 78f.

⁴ 15 U.S.C. 78f(b)(4) and (5).

and other charges among members and issuers and other persons using any facility or system which the Exchange operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The proposed increases to the credits and charges in the fee schedule under the Exchange's Pricing Schedule under Section VIII are reflective of the Exchange's ongoing efforts to use pricing incentive programs to attract order flow to the Exchange and improve market quality. The goal of these pricing incentives is to provide meaningful incentives for members to increase their participation on the Exchange.

First, the Exchange is proposing modest increases to the charges that a member organization entering an order that executes in PSX from: (i) \$0.0026 to \$0.0029 per share executed for shares executed in Nasdaq-listed securities; (ii) \$0.0025 to \$0.0029 per share executed for shares executed in NYSE-listed securities; and (iii) \$0.0026 to \$0.0029 per share executed for shares in securities listed on exchanges other than Nasdaq or NYSE. The Exchange believes that these modest increases are reasonable because they reflect the Exchange's need to adjust its credits and fees in response to the costs and benefits provided by the Exchange. Additionally, these modest increases are reasonable because the Exchange is able to balance the need to fund credits and operational costs.

The Exchange also believes that the proposed changes are consistent with an equitable allocation of fees and are not unfairly discriminatory because they apply to all member organizations that enter orders that execute in PSX and affects all members equally in the same way.

Next, the Exchange proposes to increase the credit to a member organization that executes in PSX for a displayed quote/order from \$0.0025 to \$0.0028 per share executed

for quotes/orders entered by a member organization that provides and accesses 0.35% or more of Consolidated Volume during the month (previously this rate required adding 0.12% of Consolidated Volume) and eliminate the requirements that (i) the quote/order is entered through a PSX MPID through which the member organization displays, on average over the course of the month, 100 shares or more at the national best bid and/or national best offer at least 25% of the time during regular market hours in the security that is the subject of the quote/order, or (ii) the member organization displays, on average over the course of the month, 100 shares or more at the national best bid and/or national best offer at least 25% of the time during regular market hours in 500 or more securities. The Exchange believes these changes are reasonable because increasing the credit and replacing the qualifying requirements with a single increased “provides and accesses Consolidated Volume” requirement provides member organizations with a simpler, less confusing process for determining eligibility for the credit. Additionally, the Exchange believes increasing this pricing incentive will provide meaningful incentives for members to increase their participation on the Exchange. The Exchange believes including “accesses” as part of the criteria will increase the quality of the market by allowing firms to decide how to participate most meaningfully on PSX. The requirement to provide and access 0.35% is reasonable because by achieving this activity level firms will be improving the market quality on PSX and thus receive a correspondingly higher credit than those firms that do not participate as actively on PSX. The Exchange also believes that the proposed rule change is consistent with an equitable allocation of fees and is not unfairly discriminatory because it affects all members equally and in the same way.

The Exchange also proposes to increase the credit to a member organization that executes in PSX for a displayed quote/order from \$0.0024 to \$0.0027 per share executed for quotes/orders entered by a member organization that provides and accesses 0.25% or more of Consolidated Volume during the month - previously this rate required adding 0.04% of Consolidated Volume. The Exchange believes the proposed change is reasonable because increasing this pricing incentive will provide meaningful incentives for members to increase their participation on the Exchange. The Exchange believes including “accesses” as part of the criteria will increase the quality of the market by allowing firms to decide how to participate most meaningfully on PSX. The requirement to provide and access 0.25% is reasonable because by achieving this activity level firms will be improving the market quality on PSX and thus receive a correspondingly higher credit than those firms that do not participate as actively on PSX. The Exchange also believes that the proposed rule change is consistent with an equitable allocation of fees and is not unfairly discriminatory because it affects all members equally and in the same way.

Additionally, the Exchange proposes to increase the credit to a member organization that executes in PSX for a displayed quote/order from \$0.0021 to \$0.0025 per share executed for quotes/orders entered by a member organization that provides and accesses 0.05% or more of Consolidated Volume during the month - previously this required that the member organization provide an average daily volume of 100,000 or more. The Exchange believes the proposed rule change is reasonable because increasing this pricing incentive will provide meaningful incentives for members to increase their participation on the Exchange. The Exchange believes including “accesses” as part of the

criteria will increase the quality of the market by allowing firms to decide how to participate most meaningfully on PSX. The requirement to provide and access 0.05% is reasonable because by achieving this activity level firms will be improving the market quality on PSX and thus receive a correspondingly higher credit than those firms that do not participate as actively on PSX. The Exchange also believes that the proposed rule change is consistent with an equitable allocation of fees and is not unfairly discriminatory because it affects all members equally and in the same way.

The Exchange also proposes to add two new tiers for displayed quotes/orders. The first new credit tier is \$0.0023 per share executed for quotes/orders entered by a member organization that provides and accesses daily volume of 100,000 or more shares during the month. The Exchange believes the proposed rule change is reasonable because this new credit tier will provide an additional meaningful incentive for members to increase their participation on the Exchange. The Exchange also believes that the proposed rule change is consistent with an equitable allocation of fees and is not unfairly discriminatory because it affects all members equally and in the same way.

The second proposed new credit tier is for displayed quotes/orders with an order size of 2,000 or more shares that will receive a \$0.0001 credit in addition to the credits discussed above. Orders modified by the PSX participant entering the order or by the PSX System processes so that after such modification the unexecuted order size is below 2,000 shares will no longer qualify as an order of 2,000 or more shares. The Exchange believes the proposed rule change is reasonable because this new credit tier will provide an additional meaningful incentive for members to increase their participation on the Exchange. The Exchange also believes that the proposed rule change is consistent with

an equitable allocation of fees and is not unfairly discriminatory because it affects all members equally and in the same way by allowing members to receive an additional \$0.0001 credit per share executed in addition to the credits previously discussed by using relatively large orders of 2,000 or more shares.

The Exchange believes that the proposed rule change to increase the credit to a member organization that executes in PSX for all other displayed quotes/orders from \$0.0015 to \$0.0020 per share executed is reasonable because increasing this pricing incentive will provide a meaningful incentive for members to increase their participation on the Exchange. The Exchange also believes that the proposed rule change is consistent with an equitable allocation of fees and is not unfairly discriminatory because it affects all members equally and in the same way.

The Exchange believes that the proposed rule change to add a new credit tier for non-displayed orders of \$0.0015 per share executed for orders with midpoint pegging that provide liquidity entered by a member organization that provides 1,000,000 shares or more average daily volume of non-displayed liquidity during the month change is reasonable because this new credit tier will provide an additional meaningful incentive for members to increase their participation on the Exchange. The Exchange also believes that the proposed rule change is consistent with an equitable allocation of fees and is not unfairly discriminatory because the new credit tier is uniformly available to all members and affects all members equally and in the same way.

The Exchange also believes that the proposed rule change to expand the credit tier for non-displayed orders of \$0.0010 per share executed credit for orders with midpoint pegging that provide liquidity to apply to all other orders with midpoint pegging that

provide liquidity is reasonable because it clarifies the treatment of all other orders with midpoint pegging that provide liquidity with the addition of the new credit tier discussed in the paragraph immediately above. The Exchange also believes that the proposed rule change is consistent with an equitable allocation of fees and is not unfairly discriminatory because it affects all members equally and in the same way.

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

The Exchange does not believe that the proposed rule changes will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.⁵ Phlx notes that it operates in a highly competitive market in which market participants can readily favor dozens of different competing exchanges and alternative trading systems if they deem charges at a particular venue to be excessive, or credit opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its charges and credits to remain competitive with other exchanges. Because competitors are free to modify their own charges and credits in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which changes to charges and credits in this market may impose any burden on competition is extremely limited.

In this instance, the changes to charges and credits do not impose a burden on competition because the Exchange membership is optional and is the subject of competition from other exchanges. The increased credits and charges are reflective of the intent to increase the order flow on the Exchange. For these reasons, the Exchange does

⁵ 15 U.S.C. 78f(b)(8).

not believe that any of the proposed changes will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets. Moreover, because there are numerous competitive alternatives to the use of the Exchange, it is likely that the Exchange will lose market share as a result of the changes if they are unattractive to market participants.

Accordingly, Phlx does not believe that the proposed rule changes will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets.

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.⁶ 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.

⁶ 15 U.S.C. 78s(b)(3)(A)(ii).

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-Phlx-2015-38 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-Phlx-2015-38. 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-2015-38 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.⁷

Kevin M. O'Neill
Deputy Secretary

⁷ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

New text is underlined; deleted text is in [brackets].

NASDAQ OMX PHLX LLC¹ PRICING SCHEDULE

ALL BILLING DISPUTES MUST BE SUBMITTED TO THE EXCHANGE IN WRITING AND MUST BE ACCOMPANIED BY SUPPORTING DOCUMENTATION. ALL DISPUTES MUST BE SUBMITTED NO LATER THAN SIXTY (60) DAYS AFTER RECEIPT OF A BILLING INVOICE, EXCEPT FOR DISPUTES CONCERNING NASDAQ OMX PSX FEES, PROPRIETARY DATA FEED FEES AND CO-LOCATION SERVICES FEES. AS OF JANUARY 3, 2011, THE EXCHANGE WILL CALCULATE FEES ON A TRADE DATE BASIS.

¹PHLX[®] is a registered trademark of The NASDAQ OMX Group, Inc.

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VIII. NASDAQ OMX PSX FEES

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Order Execution and Routing

(a) The following charges and credits shall apply to the use of the order execution and routing services of the NASDAQ OMX PSX System by member organizations for all securities that it trades priced at \$1 or more per share:

(1) Fees for Execution of Quotes/Orders in Nasdaq-Listed Securities, Securities Listed on the New York Stock Exchange ("NYSE") and Securities Listed on Exchanges other than Nasdaq and NYSE. As used in this rule, the term "Consolidated Volume" shall mean the total consolidated volume reported to all consolidated transaction reporting plans by all exchanges and trade reporting facilities during a month in equity securities, excluding executed orders with a size of less than one round lot. For purposes of calculating Consolidated Volume and the extent of a member's trading activity, expressed as a percentage of, or ratio to, Consolidated Volume, the date of the annual reconstitution of the Russell Investments Indexes shall be excluded from both total Consolidated Volume and the member's trading activity.

Charge to member organization entering order that executes in NASDAQ OMX PSX:	\$0.002[6]9 per share executed [for shares in Nasdaq-listed securities
	\$0.0025 per share executed for shares in NYSE-listed securities
	\$0.0026 per share executed for shares

in securities listed on exchanges
other than Nasdaq and NYSE]

Credit to member organization
providing liquidity through the
NASDAQ OMX PSX System:

Displayed Quote/Order:

\$0.002[5]8 per share executed for
Quotes/Orders entered by a member
organization that provides [an
average daily volume in shares of
liquidity during the month that
represents]and accesses 0.[12]35%
or more of Consolidated Volume
during the month]; provided that (i)
the Quote/Order is entered through a
NASDAQ OMX PSX MPID through
which the member organization
displays, on average over the course
of the month, 100 shares or more at
the national best bid and/or national
best offer at least 25% of the time
during regular market hours* in the
security that is the subject of the
Quote/Order, or (ii) the member
organization displays, on average
over the course of the month, 100
shares or more at the national best
bid and/or national best offer at least
25% of the time during regular
market hours in 500 or more
securities]

\$0.002[4]7 per share executed for
Quotes/Orders entered by a member
organization that provides and
accesses [an average daily volume in
shares of liquidity during the month
that represents] 0.[04]25% or more of
Consolidated Volume during the
month

\$0.002[1]5 per share executed for
Quotes/Orders entered [through a
NASDAQ OMX PSX MPID through
which the] by a member organization

that provides and accesses 0.05% or more of Consolidated Volume [provides an average daily volume of 100,000 or more shares of liquidity] during the month

\$0.0023 per share executed for Quotes/Orders entered by a member organization that provides and accesses daily volume of 100,000 or more shares during the month

Displayed Quotes/Orders with an order size of 2,000 or more shares will receive a \$0.0001 credit in addition to the credits provided above. Orders modified by the PSX Participant entering the order or by the System processes so that after such modification the unexecuted order size is below 2,000 shares will no longer qualify as an order of 2,000 or more shares.

\$0.00[15]20 per share executed for all other Quotes/Orders

Non-Displayed Order Charges and Credits:

\$0.0015 per share executed credit for orders with midpoint pegging that provide liquidity entered by a member organization that provides 1,000,000 shares or more average daily volume of non-displayed liquidity during the month

\$0.0010 per share executed credit for all other orders with midpoint pegging that provide liquidity

\$0.0005 per share executed credit for other non-displayed orders that provide liquidity

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