

Required fields are shown with yellow backgrounds and asterisks.

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"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
Section 3C(b)(2) * <input type="checkbox"/>	

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

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

Proposal to delete obsolete Rules 1000C - 1009C, collectively captioned Rules Applicable to Trading of PHLX FOREX 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 action.

First Name * Carla	Last Name * Behnfeldt
Title * Associate General Counsel	
E-mail * carla.behnfeldt@nasdaq.com	
Telephone * (215) 496-5208	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 02/01/2016	Executive Vice President and General Counsel
By Edward S. Knight	
(Name *)	

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 \***

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change \***

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies \***

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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**

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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 PHLX LLC (“Exchange” or “Phlx”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> is filing with the Securities and Exchange Commission (“Commission”) a proposal to delete obsolete Rules 1000C – 1009C, collectively captioned Rules Applicable to Trading of PHLX FOREX Options™.

A notice of the proposed rule change for publication in the Federal Register is attached as Exhibit 1. The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Board of Directors of the Exchange on July 1, 2015. 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

Carla Behnfeldd  
Associate General Counsel  
The NASDAQ OMX Group, Inc.  
(215) 496- 5208

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<sup>1</sup> 15 U.S.C. § 78s(b)(1).

<sup>2</sup> 17 C.F.R. § 240.19b-4.

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

a. Purpose

PHLX FOREX Options<sup>TM</sup>

The Exchange's rules for listing and trading PHLX FOREX Options were approved by the Commission in 2012<sup>3</sup> but were never in fact listed or traded on Phlx. The Exchange has no current intention to list or trade PHLX FOREX Options in the foreseeable future. Accordingly, the Exchange proposes to delete the caption "Rules Applicable to Trading of PHLX FOREX Options<sup>TM</sup> (Rules 1000C—1009C)" as well as Rules 1000C through 1009C dealing solely with PHLX FOREX Options.

The Exchange also proposes to make conforming changes to Phlx Option Floor Procedure Advices F-6, Option Quote Parameters, and F-15, Minor Infractions of Position/Exercise Limits and Hedge Exemptions, removing language which is specific to PHLX FOREX Options.

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<sup>3</sup> See Securities Exchange Act Release No. 66616 (March 16, 2012) 77 FR 16879 (March 22, 2012) (SR-Phlx-2012-11) (Order Granting Approval of Proposed Rule Change Regarding the Listing and Trading of PHLX FOREX Options<sup>TM</sup>). In the approval order the Commission approved listing and trading of PHLX FOREX Options the British pound, the Swiss franc, the Canadian dollar, the Australian dollar, the New Zealand dollar, and the Euro. These six foreign currencies also underlie another type of foreign currency option that is currently listed and traded on the Exchange (referred to as either "FCOs" or World Currency Options, "WCOs"). The primary difference between FCOs and the PHLX FOREX Options is the pricing convention of PHLX FOREX Options, which resembles the "spot market pricing" on the underlying currencies. The proposal to delist the PHLX FOREX Options<sup>TM</sup> does not affect the continued listing and trading of FCOs on the Exchange.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act<sup>4</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>5</sup> in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest. In particular, this proposed change removes from the Phlx rulebook the rules applicable to PHLX FOREX Options and makes conforming changes as needed to certain other rules. The rule language to be deleted is not relevant or necessary because it deals solely with PHLX FOREX Options which were never listed or traded on the Exchange. Removing this rule language from the Phlx rulebook will help eliminate potential member and investor confusion about products listed and traded on Phlx.

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. The proposed change is not designed to address any competitive issue but would merely remove rule language relating to PHLX FOREX Options that is not relevant to the Exchange's business in any respect.

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.

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<sup>4</sup> 15 U.S.C. § 78f(b).

<sup>5</sup> 15 U.S.C. § 78f(b)(5).

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)

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)<sup>6</sup> of the Act and Rule 19b-4(f)(6) thereunder<sup>7</sup> in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. The proposed rule change does not significantly affect the protection of investors or the public interest. Rather, it removes a potential source of investor confusion by eliminating rule language that refers to products that are no longer listed and traded on the Exchange.

Furthermore, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If

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<sup>6</sup> 15 U.S.C. § 78s(b)(3)(A).

<sup>7</sup> 17 C.F.R. § 240.19b-4(f)(6).

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

Not applicable.

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-Phlx-2016-16)

February \_\_, 2016

Self-Regulatory Organizations; NASDAQ PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Delete Obsolete Rules 1000C – 1009C

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup>, and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 1, 2016, NASDAQ PHLX LLC (“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 delete obsolete Rules 1000C – 1009C, collectively captioned Rules Applicable to Trading of PHLX FOREX Options™.

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.

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

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<sup>1</sup> 15 U.S.C. § 78s(b)(1).

<sup>2</sup> 17 C.F.R. § 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

PHLX FOREX Options<sup>TM</sup>

The Exchange's rules for listing and trading PHLX FOREX Options were approved by the Commission in 2012<sup>3</sup> but were never in fact listed or traded on Phlx. The Exchange has no current intention to list or trade PHLX FOREX Options in the foreseeable future. Accordingly, the Exchange proposes to delete the caption "Rules Applicable to Trading of PHLX FOREX Options<sup>TM</sup> (Rules 1000C—1009C)" as well as Rules 1000C through 1009C dealing solely with PHLX FOREX Options.

The Exchange also proposes to make conforming changes to Phlx Option Floor Procedure Advices F-6, Option Quote Parameters, and F-15, Minor Infractions of Position/Exercise Limits and Hedge Exemptions, removing language which is specific to PHLX FOREX Options.

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<sup>3</sup> See Securities Exchange Act Release No. 66616 (March 16, 2012) 77 FR 16879 (March 22, 2012) (SR-Phlx-2012-11) (Order Granting Approval of Proposed Rule Change Regarding the Listing and Trading of PHLX FOREX Options<sup>TM</sup>). In the approval order the Commission approved listing and trading of PHLX FOREX Options the British pound, the Swiss franc, the Canadian dollar, the Australian dollar, the New Zealand dollar, and the Euro. These six foreign currencies also underlie another type of foreign currency option that is currently listed and traded on the Exchange (referred to as either "FCOs" or World Currency Options, "WCOs"). The primary difference between FCOs and the PHLX FOREX Options is the pricing convention of PHLX FOREX Options, which resembles the "spot market pricing" on the underlying currencies. The proposal to delist the PHLX FOREX Options<sup>TM</sup> does not affect the continued listing and trading of FCOs on the Exchange.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act<sup>4</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>5</sup> in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest. In particular, this proposed change removes from the Phlx rulebook the rules applicable to PHLX FOREX Options and makes conforming changes as needed to certain other rules. The rule language to be deleted is not relevant or necessary because it deals solely with PHLX FOREX Options which were never listed or traded on the Exchange. Removing this rule language from the Phlx rulebook will help eliminate potential member and investor confusion about products listed and traded on Phlx.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed change is not designed to address any competitive issue but would merely remove rule language relating to PHLX FOREX Options that is not relevant to the Exchange's business in any respect.

### 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.

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<sup>4</sup> 15 U.S.C. § 78f(b).

<sup>5</sup> 15 U.S.C. § 78f(b)(5).

### III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>6</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>7</sup>

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form

(<http://www.sec.gov/rules/sro.shtml>); or

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<sup>6</sup> 15 U.S.C. § 78s(b)(3)(a)(iii).

<sup>7</sup> 17 C.F.R. § 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-Phlx-2016-16 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-2016-16. 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-2016-16 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.<sup>8</sup>

Robert W. Errett  
Deputy Secretary

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<sup>8</sup> 17 C.F.R. § 200.30-3(a)(12).

**EXHIBIT 5**

Deleted text is [bracketed]. New text is underlined.

**NASDAQ OMX PHLX Rules**

\* \* \* \* \*

**[Rules Applicable to Trading of PHLX FOREX Options™ (Rules 1000C - 1009C)]****Rule 1000C. Reserved. [Applicability of Rule 1000C Series - PHLX FOREX Options™**

Unless otherwise specified, the Rules in this Rule 1000C Series are applicable only to PHLX FOREX Options (as defined below). In addition, except to the extent that specific rules in this Series govern, or unless the context otherwise requires, the provisions of the Option Rules applicable to U.S. dollar-settled foreign currency options and of the By-Laws and all other Rules and Policies of the Board of Directors shall be applicable to the trading on the Exchange of PHLX FOREX Options.

**Rule 1001C. Definitions - PHLX FOREX Options™**

(a) The following terms as used in the Rules in this Section shall, unless the context otherwise indicates, have the meanings herein specified regarding PHLX FOREX Options.

(1) *PHLX FOREX Option* - The term "PHLX FOREX Option" means:

- (i) a U.S. dollar-settled foreign currency option contract,
- (ii) on the standard unit of an underlying currency that is the official medium of exchange of a sovereign government including the United States Government (e.g., the British pound, the Swiss franc, the Canadian dollar, the Australian dollar, the New Zealand dollar,) or the Euro, and
- (iii) that uses the spot market price of the underlying currency for pricing and settlement.

(2) *Unit of Underlying Foreign Currency*—The term "unit of underlying foreign currency" in respect of PHLX FOREX Options means a single unit of the foreign currency (e.g., one British pound, one Swiss franc, one Canadian dollar, one Australian dollar, one Euro, or one New Zealand dollar).

**Rule 1002C. Series of PHLX FOREX Options™ Open for Trading**

(a) After a particular class of PHLX FOREX Options (call option contracts or put option contracts relating to a specific underlying foreign currency) has been approved for listing

and trading on the Exchange, the Exchange shall from time to time open for trading series of options therein. Prior to the opening of trading in any series of options, the Exchange shall fix the expiration month and exercise price of option contracts included in each such series as follows:

**(i)** At the commencement of trading on the Exchange of a particular class of PHLX FOREX Options, the Exchange shall open a minimum of one expiration month and series for each class of options open for trading on the Exchange.

The exercise price of each series of PHLX FOREX Options opened for trading on the Exchange shall be fixed in terms of U.S. dollars per unit of the underlying currency at a price per unit which is reasonably close to the current spot market price of the underlying foreign currency in the foreign exchange market at or before the time such series of options is first opened for trading on the Exchange.

**(ii)** Additional series of PHLX FOREX Options of the same class may be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying stock moves more than five strike prices from the initial exercise price or prices. The opening of a new series of options shall not affect the series of options of the same class previously opened. New series of options on an individual stock may be added until the beginning of the month in which the options contract will expire. Due to unusual market conditions, the Exchange, in its discretion, may add a new series of PHLX FOREX Options until the fourth business day prior to the business day of expiration, or, in the case of an index option contract expiring on a day that is not a business day, up to the fifth business day prior to expiration.

**(iii)** The Exchange may list, with respect to any class of PHLX FOREX Options series, options having up to thirty-nine months from the time they are listed until expiration. There may be up to six additional expiration months. Strike price interval, bid/ask differential and continuity rules shall not apply to such options series until the time to expiration is less than nine months.

**(b)** For each expiration of PHLX FOREX Options, the Exchange may initially list exercise strike prices within a 40 percent band around the current spot market price for an underlying currency for a PHLX FOREX Option (the "spot market") at \$.0050 intervals. As the spot market moves, the Exchange may list new strike prices that, at the time of listing, do not exceed the spot market by more than 20 percent and are not less than the spot market by more than 20 percent.

For example, if at the time of initial listing, the spot market of the Euro is at \$1.000, the strike prices the Exchange will list for the PHLX FOREX Option will be \$.800 to \$1.20. If the spot market then moves to \$1.3050, the Exchange may list additional strikes at the following prices: \$1.045 to \$1.565.

**Rule 1003C. Obligations and Quote Spread Parameters Applicable to PHLX FOREX Options™ Specialists and Registered Options Traders**

*Affirmative Obligations In Classes of PHLX FOREX Options Contracts to Which Assigned.* With respect to classes of option contracts to which a Specialist or Registered Option Trader (ROT) assignment extends, a Specialist and an ROT, whenever the ROT (except a Remote Streaming Quote Trader or RSQT) enters the trading crowd in other than a floor brokerage capacity or is called upon by an Options Exchange Official or a Floor Broker, to make a market, is expected to engage, to a reasonable degree under the existing circumstances, in dealing for his own account when there exists, or it is reasonably anticipated that there will exist, a lack of price continuity, a temporary disparity between the supply of and demand for a particular option contract, or a temporary distortion of the price relationships between option contracts of the same class. Without limiting the foregoing, a Specialist and an ROT is expected to perform the following activities in the course of maintaining a fair and orderly market:

**(a) Quote Spread Parameters (Bid/Ask Differentials).**

With respect to all PHLX FOREX Options, bidding and/or offering so as to create differences of no more than \$.0025 (expressed as \$.25) between the bid and the offer for each option contract for which the prevailing bid is less than \$.0200 (expressed as \$2.00); no more than \$.0040 (expressed as \$.40) where the prevailing bid is \$.0200 (expressed as \$2.00) or more but less than \$.0500 (expressed as \$5.00); no more than \$.0050 (expressed as \$.50) where the prevailing bid is \$.0500 (expressed as \$5.00) or more but less than \$.1000 (expressed as \$10.00); no more than \$.0080 (expressed as \$.80) where the prevailing bid is \$.1000 (expressed as \$10.00) or more but less than \$.2000 (expressed as \$20.00); and no more than \$.0100 (expressed as \$1.00) where the prevailing bid is \$.2000 (expressed as \$20.00).

**(b) Electronic Quotations.**

PHLX FOREX Options may be quoted electronically with a difference not to exceed \$.0500 (expressed as \$5.00) between the bid and offer regardless of the price of the bid. The bid/ask differentials set forth in this subparagraph (b) only applies to electronic quotations and only following the opening rotation in each security (i.e., the bid/ask differentials specified in sub-paragraph (a) above shall apply during opening rotation). Quotations provided in open outcry may not be made with bid/ask differentials set forth in this subparagraph (b) and instead must comply with the legal bid/ask differential requirements described in sub-paragraph (a) above and not in this sub-paragraph (b).

**Rule 1004C. Bids And Offers of PHLX FOREX Options™**

**(a) Premiums.** Except as provided in paragraph (b) and (c), all bids or offers made on the Floor for PHLX FOREX Option contracts shall be expressed in terms of U.S. dollars per unit of the underlying foreign currency.

For example, a bid of ".0325" (expressed as "3.25") for a premium on a \$1.70 strike price option on the British pound shall represent a bid to pay \$325 per option contract.

**(b) Contract Adjustments.** All bids or offers for an option contract for which the Options Clearing Corporation has established an adjusted unit of trading in accordance with paragraphs (c) and (d) of Section 11 of Article VI of the by-laws of the Options Clearing Corporation shall be expressed in terms of dollars per the appropriate fractional part of the total securities and/or other property constituting such adjusted unit of trading.

**(c) Spread Type Priority.** When a member holding a hedge order, as defined in Rule 1066 and bidding or offering on the basis of a total credit or debit for the order has determined that the order may not be executed by a combination of transactions at or within the bids and offers established in the marketplace, then the order may be executed as a hedge order at the total credit or debit with one other member with priority over either the bid or the offer established in the marketplace that is not better than the bids or offers comprising such total credit or debit, provided that, the member executes at least one option leg at a better price than established bid or offer for that option contract AND no option leg is executed at a price outside of the established bid or offer for that option contract.

**Rule 1005C. Minimum Increments of PHLX FOREX Options™**

**(a)** All PHLX FOREX Options where the underlying foreign currency is not the U.S. dollar (unless a PHLX FOREX Options pair) shall have a minimum increment of \$.0001 (which is expressed for trading as \$.01).

**(b)** However, different minimum increments for dealings in PHLX FOREX Option contracts may also be fixed by the Exchange from time to time for option contracts of a particular series.

**Rule 1006C. Closing Settlement Value of PHLX FOREX Options™**

U.S. dollar-settled foreign currency options are settled in U.S. dollars per unit of underlying currency.

**(a)** The closing settlement value for PHLX FOREX Options and for FLEX PHLX FOREX Options on the Australian dollar, the Euro, the British pound, the Canadian dollar, the Swiss franc, and the New Zealand dollar shall be the spot market price at 12:00:00 Eastern Time (noon) on the business day of expiration, or, in the case of an option contract expiring on a day that is not a business day, the business day prior to the expiration date unless the Exchange determines to apply an alternative closing settlement value as a result of extraordinary circumstances.

**(b)** The Exchange shall disseminate the closing settlement value via an Options Trader Alert and such Options Trader Alert will also be made available on the Exchange's website.

**(c)** Neither the Exchange, nor any agent of the Exchange shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating the current settlement value or the closing settlement value resulting from an act, condition, or cause beyond the reasonable control of the Exchange

including but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; any error, omission, or delay in the reports of transactions in one or more underlying currencies or any error, omission or delay in the reports of the current settlement value or the closing settlement value by the Exchange.

**Rule 1007C. FLEX - PHLX FOREX Options™**

The FLEX procedures set forth in Rule 1079 in respect of U.S. foreign currency options shall be applicable to PHLX FOREX Options.

**Rule 1008C. Position Limits - PHLX FOREX Options™**

The position limit shall be 1,200,000 contracts for PHLX FOREX Options on the following underlying currency: the British pound, the Swiss franc, the Canadian dollar, the Australian dollar, the New Zealand dollar, and the Euro. However, if a PHLX FOREX Option and an FCO (WCO) are listed on the same underlying currency (e.g. a Euro PHLX FOREX Option and a Euro FCO (WCO)), then the position for each such option on the same underlying currency will be aggregated for purposes of determining compliance with the position limit established in this rule.

**Rule 1009C. Exercise Limits - PHLX FOREX Options™**

Exercise limits for options on PHLX FOREX Options shall be equivalent to the position limits prescribed in Rule 1008C.]

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OPTION FLOOR PROCEDURE ADVICES AND ORDER & DECORUM  
REGULATIONS

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**F-6 Option Quote Parameters**

When bidding and/or offering in equity option or index option issues, the following parameters should be utilized (i) on the opening and (ii) after the opening for those quoting verbally:

<i>Current Option Bid</i>	<i>Maximum Quote Spread</i>
Less than \$2.00	.25
\$2.00 to less than \$5.00	.40
\$5.00 to less than \$10.00	.50
\$10.00 to less than \$20.00	.80
\$20.00 and greater	1

After the opening, options trading on Phlx XL II may be quoted electronically with a difference not to exceed \$5 between the bid and offer regardless of the price of the bid. The \$5 bid/ask differentials only apply following the opening rotation in each security

(i.e., the bid/ask differentials specified above shall apply during the opening). Quotations provided in open outcry may not be made with \$5 bid/ask differentials and instead must comply with the bid/ask differential requirements described above.

The bid/ask differentials stated above shall not apply to in-the-money series where the market for the underlying security is wider than the differentials set forth above. For such series, the bid/ask differential may be as wide as the quotation for the underlying security on the primary market, or its decimal equivalent rounded up to the nearest minimum increment.

#### Foreign Currency Options

When bidding and/or offering in U.S. dollar-settled foreign currency option issues, the following parameters should be utilized (i) on the opening and (ii) after the opening for those quoting verbally (in open outcry):

<i>Current Option Bid</i>	<i>Maximum Quote Spread</i>
Less than \$2.00	.25
\$2.00 to less than \$5.00	.40
\$5.00 to less than \$10.00	.50
\$10.00 to less than \$20.00	.80
\$20.00 and greater	1

After the opening, options trading on Phlx XL II may be quoted electronically with a difference not to exceed \$5 between the bid and offer regardless of the price of the bid. The \$5 bid/ask differentials only apply following the opening rotation in each security (i.e., the bid/ask differentials specified above shall apply during the opening). Quotations provided in open outcry may not be made with \$5 bid/ask differentials and instead must comply with the bid/ask differential requirements described above.

The bid/ask differential as stated above shall apply to all listed series, including the longest term, except for the two longest term series open for trading in the Euro options and long-term foreign currency options.

#### [PHLX FOREX Options™

When bidding and/or offering in PHLX FOREX Options on issues, the following parameters should be utilized (i) on the opening and (ii) after the opening for those quoting verbally (in open outcry):

<i>Current Option Bid</i>	<i>Maximum Quote Spread</i>
Less than \$.0200 (expressed as \$2.00)	.0025 (expressed as .25)
\$.0200 (expressed as \$2.00) to less than \$.0500 (expressed as \$5.00)	.0040 (expressed as .40)

\$.0500 (expressed as \$5.00) to less than \$.1000 (expressed as \$10.00)	.0050 (expressed as .50)
\$.1000 (expressed as \$10.00) to less than \$.2000 (expressed as \$20.00)	.0080 (expressed as .80)
\$.2000 (expressed as \$20.00) and greater	.0100 (expressed as 1)

After the opening, options trading on Phlx XL II may be quoted electronically with a difference not to exceed \$.0500 (expressed as \$5) between the bid and offer regardless of the price of the bid. The \$.0500 (expressed as \$5) bid/ask differentials only apply following the opening rotation in each security (i.e., the bid/ask differentials specified above shall apply during the opening). Quotations provided in open outcry may not be made with \$.0500 (expressed as \$5) bid/ask differentials and instead must comply with the bid/ask differential requirements described above.

The bid/ask differential as stated above shall apply to all listed series, including the longest term, except for the two longest term series open for trading in the Euro PHLX FOREX Options™ and long-term PHLX FOREX Options. ]

#### Relief

Relief from the established bid/ask differentials may be granted upon the receipt of an approval of an Options Exchange Official.

#### Batching

The Exchange may aggregate individual violations and treat such violations as a single offense.

FINE SCHEDULE No change.

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#### **F-15 Minor Infractions of Position/Exercise Limits and Hedge Exemptions**

(a) Minor violations of the Exchange's position and exercise limits (Exchange Rule 1001 - Position Limits, Exchange Rule 1002 - Exercise Limits, Exchange Rule 1001A - Position Limits, and Exchange Rule 1002A - Exercise Limits[, Exchange Rule 1008C - Position Limits PHLX FOREX Options™, and Exchange Rule 1009C - Exercise Limits PHLX FOREX Options™]) which do not exceed such limits by more than 5% may result in the issuance of a fine in accordance with section (a) of the fine schedule below.

In addition, when a position limit exemption for a specific period has lapsed without the position either being brought into compliance or a new exemption granted, a fine in accordance with section (a) of the fine schedule below may be issued.

Other violations of the position and exercise limit are subject to review by the Business Conduct Committee in accordance with those procedures set forth under the Exchange's Disciplinary Rules.

(b) No change.

FINE SCHEDULE No change.

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