

Required fields are shown with yellow backgrounds and asterisks.

Filing by NASDAQ 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 checked="" type="checkbox"/>	Section 19(b)(3)(A) * <input 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 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 *).

A proposal to amend Rule 1012, Series of Options Open for Trading, with respect to long term options and strike price intervals for Quarterly Options Series.

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 03/14/2017	Executive Vice President and General Counsel
By Edward S. Knight	
(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.

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 *

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, 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

Add Remove View

Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

Add Remove View

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) NASDAQ 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 is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to amend Rule 1012, Series of Options Open for Trading, with respect to long term options and strike price intervals for Quarterly Options Series.

A notice of the proposed rule change for publication in the Federal Register is attached hereto 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 senior management of the Exchange pursuant to authority delegated by the Board of Directors of the Exchange (the “Board”) on August 15, 2016. 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 Behnfeldt
Associate General Counsel
Nasdaq, Inc.
(215) 496-5208

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

a. Purpose

The purpose of this rule filing is to amend Rule 1012, Series of Options Open for Trading, with respect to long term options and Quarterly Options Series, as discussed below.

Long Term Options

Currently, pursuant to subsection (i)(D) of Rule 1012, the Exchange may list, with respect to any class of stock or Exchange-Traded Fund Share 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 do not apply to such options series until the time to expiration is less than nine months. Further, such option series will open for trading either when there is buying or selling interest, or 40 minutes prior to the close, whichever occurs first. No quotations need to be posted for such option series until they are opened for trading.

The Exchange proposes to amend subsection (i)(D) of Rule 1012 in a number of respects. First, it is adding a caption and the words "long term" to the first sentence, to make clear that the paragraph deals with long term options. Second, the sentence that currently permits options "up to thirty-nine months from the time they are listed until expiration" is amended to permit options having between twelve and thirty-nine months from the time they are listed until expiration. The purpose of this change is to make clear that only long-term options (as opposed to options having fewer than twelve months until expiration) may be listed pursuant to subsection (i)(D) of Rule 1012. Third, language is added to establish that within those parameters (i.e., between twelve and thirty-nine

months from the time of listing until expiration), there shall be no limitation on the number of options listed in any particular range of months. This purpose of the language proposed herein is to provide additional flexibility in the selection of months to be listed.³ Last, the Exchange proposes to increase the number of additional expiration months that can be added as long term options from six to eight, to provide investors with additional trading opportunities.

Quarterly Options Series

Pursuant to Rule 1012 Commentary .08, the Exchange may list and trade P.M. settled options series that expire at the close of business on the last business day of a calendar quarter ("Quarterly Options Series"). The Exchange may list Quarterly Options Series for up to five currently listed options classes that are either Index Options or options on Exchange Traded Funds ("ETFs"). In addition, the Exchange may also list Quarterly Options Series on any options classes that are selected by other securities exchanges that employ a similar program under their respective rules.

Pursuant to Rule 1012 Commentary .11, the Exchange may also list and trade Short Term Option Series that expire at the close of business on consecutive Fridays, as well as Wednesday SPY Expirations. With the exception of Wednesday SPY

³ Although not reflected in the actual rule text, the approval order for an earlier proposed rule change increasing the number of permissible long term options expirations stated that "by increasing the number of expiration months for long-term equity options from four to six, the proposal will allow the PHLX to list equity options with two expirations between 25 and 39 months, in addition to the four potential expirations between 12 and 24 months." See Securities Exchange Act Release No. 29103 (April 18, 1991) 56 FR 19132 (April 25, 1991). The Exchange is now proposing to remove any limitation on the number of long term options expirations that can be listed between 25 and 39 months on one hand, and between 12 and 24 months on the other, so long as only 8 total expiration months are listed.

Expirations, no Short Term Options Series may expire in the same week in which monthly option series on the same class expire or, in the case of Quarterly Options Series, on an expiration that coincides with an expiration of Quarterly Options Series on the same class. Thus, a Short Term Options Series expiration will not be listed whenever a Quarterly Options Series is listed with an expiration that would fall on the same date.

Currently, under Commentary .08(e) to Rule 1012, the interval between strike prices on Quarterly Options Series is the same as the interval for strike prices for series in that same options class that expire in accordance with the normal monthly expiration cycle. By contrast the Short Term Options Series program allows for \$0.50 strike intervals. This distinction may cause a disconnect which prevents customers from rolling positions.

By way of example, SPY is part of the Short Term Options Series program. Assume that SPY Short Term Options Series expirations are listed for 3/24/2017 and for 4/5/2017, with strike prices set at 237, 237.5 and 238. A Quarterly Options Series SPY expiration is listed for 3/31/2017 expiration. No Short Term Options Series SPY expiration is listed for 3/31/2017 because no Short Term Options Series may expire on an expiration that coincides with an expiration of Quarterly Options Series on the same class. Strikes for the Quarterly Options Series 3/31/2017 expiration may be set at 237 and 238, but a strike price at 237.5 is currently not permitted since strike intervals must be in accordance with the \$1.00 intervals that apply to the normal monthly SPY expirations. As a result, a customer holding a SPY Short Term Options Series 237.5 strike with a 3/24/2017 expiration cannot roll that position to the 3/31/2017 expiration.

The Exchange is proposing to add a proviso to Commentary .08(e) to Rule 1012, in order that the strike price intervals on a Quarterly Options Series may be the same as the strike price intervals for an options class participating in the Short Term Options Series program if the expiration of the Quarterly Options Series coincides with an expiration of a Short Term Options Series on the same class. This change will permit market participants to roll their positions in a Short Term Options Series expiration into the following week's Quarterly Options Series, with the same strike price intervals.

Short Term Options Series are not listed and traded during the expiration week of the Quarterly Options Series on the same class of option. During this week, the Quarterly Options Series are materially and financially equivalent to the Short Term Options Series options. Effectively, the proposed change would allow traders and hedgers to have the benefits of the Short Term Options Series program during each week in a month. The Exchange also believes that providing the same strike price intervals for options classes that are in the Short Term Options Series program and in the Quarterly Options Series program, when the Quarterly Options Series expiration coincides with an expiration of a Short Term Options Series on the same class, will provide the investing public and other market participants with additional opportunities to hedge their investment thus allowing better risk exposure management.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁴ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁵ in particular,

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest, by clarifying rule language associated with long term options, by removing an unnecessary constraint on the number of long term options that can be listed within certain ranges, and by increasing the number of permissible long term expirations from six to eight, thereby providing additional trading opportunities to investors.

Additionally, the proposal would remove impediments to and perfect the mechanism of a free and open market and a national market system by permitting Quarterly Options Series expirations that fall on a day when a Short Term Options Series would otherwise expire to mirror the strike price intervals of Short Term Options Series. The Exchange believes there are substantial benefits to market participants in harmonized listing between Short Term Options Series and Quarterly Options Series on the same classes. The proposal will give investors the flexibility to close a position in an expiring Short Term Options Series and open a position at the same strike price in Quarterly Options Series in the same class. Investors will benefit from the availability of strike price intervals in Quarterly Options Series that match the intervals currently permitted for Short Term Options Series with the same expiration date.

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 changes to Rule 1012(d) are intended to provide clarity in the rule and additional flexibility to the Exchange in listing long term options expiration series, including by expanding the number of long term options expiration series that may be

listed, to the benefit of investors. The proposed amendment to Commentary .08 is designed to facilitate rolling of options positions from a Short Term Options Series into a Quarterly Options Series, which will benefit users of these options contracts.

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

The Exchange does not consent to an extension of the time period for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Not applicable.

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 Change 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-2017-26)

March __, 2017

Self-Regulatory Organizations; NASDAQ PHLX LLC; Notice of Filing of Proposed Rule Change to Amend Rule 1012, Series of Options Open for Trading

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 March 14, 2017, NASDAQ 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 Rule 1012, Series of Options Open for Trading, with respect to long term options and strike price intervals for Quarterly Options Series.

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

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The purpose of this rule filing is to amend Rule 1012, Series of Options Open for Trading, with respect to long term options and Quarterly Options Series, as discussed below.

Long Term Options

Currently, pursuant to subsection (i)(D) of Rule 1012, the Exchange may list, with respect to any class of stock or Exchange-Traded Fund Share 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 do not apply to such options series until the time to expiration is less than nine months. Further, such option series will open for trading either when there is buying or selling interest, or 40 minutes prior to the close, whichever occurs first. No quotations need to be posted for such option series until they are opened for trading.

The Exchange proposes to amend subsection (i)(D) of Rule 1012 in a number of respects. First, it is adding a caption and the words "long term" to the first sentence, to make clear that the paragraph deals with long term options. Second, the sentence that currently permits options "up to thirty-nine months from the time they are listed until expiration" is amended to permit options having between twelve and thirty-nine months from the time they are listed until expiration. The purpose of this change is to make clear

that only long-term options (as opposed to options having fewer than twelve months until expiration) may be listed pursuant to subsection (i)(D) of Rule 1012. Third, language is added to establish that within those parameters (i.e., between twelve and thirty-nine months from the time of listing until expiration), there shall be no limitation on the number of options listed in any particular range of months. This purpose of the language proposed herein is to provide additional flexibility in the selection of months to be listed.³ Last, the Exchange proposes to increase the number of additional expiration months that can be added as long term options from six to eight, to provide investors with additional trading opportunities.

Quarterly Options Series

Pursuant to Rule 1012 Commentary .08, the Exchange may list and trade P.M. settled options series that expire at the close of business on the last business day of a calendar quarter ("Quarterly Options Series"). The Exchange may list Quarterly Options Series for up to five currently listed options classes that are either Index Options or options on Exchange Traded Funds ("ETFs"). In addition, the Exchange may also list Quarterly Options Series on any options classes that are selected by other securities exchanges that employ a similar program under their respective rules.

³ Although not reflected in the actual rule text, the approval order for an earlier proposed rule change increasing the number of permissible long term options expirations stated that "by increasing the number of expiration months for long-term equity options from four to six, the proposal will allow the PHLX to list equity options with two expirations between 25 and 39 months, in addition to the four potential expirations between 12 and 24 months." See Securities Exchange Act Release No. 29103 (April 18, 1991) 56 FR 19132 (April 25, 1991). The Exchange is now proposing to remove any limitation on the number of long term options expirations that can be listed between 25 and 39 months on one hand, and between 12 and 24 months on the other, so long as only 8 total expiration months are listed.

Pursuant to Rule 1012 Commentary .11, the Exchange may also list and trade Short Term Option Series that expire at the close of business on consecutive Fridays, as well as Wednesday SPY Expirations. With the exception of Wednesday SPY Expirations, no Short Term Options Series may expire in the same week in which monthly option series on the same class expire or, in the case of Quarterly Options Series, on an expiration that coincides with an expiration of Quarterly Options Series on the same class. Thus, a Short Term Options Series expiration will not be listed whenever a Quarterly Options Series is listed with an expiration that would fall on the same date.

Currently, under Commentary .08(e) to Rule 1012, the interval between strike prices on Quarterly Options Series is the same as the interval for strike prices for series in that same options class that expire in accordance with the normal monthly expiration cycle. By contrast the Short Term Options Series program allows for \$0.50 strike intervals. This distinction may cause a disconnect which prevents customers from rolling positions.

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As a result, a customer holding a SPY Short Term Options Series 237.5 strike with a 3/24/2017 expiration cannot roll that position to the 3/31/2017 expiration.

The Exchange is proposing to add a proviso to Commentary .08(e) to Rule 1012, in order that the strike price intervals on a Quarterly Options Series may be the same as the strike price intervals for an options class participating in the Short Term Options Series program if the expiration of the Quarterly Options Series coincides with an expiration of a Short Term Options Series on the same class. This change will permit market participants to roll their positions in a Short Term Options Series expiration into the following week's Quarterly Options Series, with the same strike price intervals.

Short Term Options Series are not listed and traded during the expiration week of the Quarterly Options Series on the same class of option. During this week, the Quarterly Options Series are materially and financially equivalent to the Short Term Options Series options. Effectively, the proposed change would allow traders and hedgers to have the benefits of the Short Term Options Series program during each week in a month. The Exchange also believes that providing the same strike price intervals for options classes that are in the Short Term Options Series program and in the Quarterly Options Series program, when the Quarterly Options Series expiration coincides with an expiration of a Short Term Options Series on the same class, will provide the investing public and other market participants with additional opportunities to hedge their investment thus allowing better risk exposure management.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁴ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁵ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest, by clarifying rule language associated with long term options, by removing an unnecessary constraint on the number of long term options that can be listed within certain ranges, and by increasing the number of permissible long term expirations from six to eight, thereby providing additional trading opportunities to investors.

Additionally, the proposal would remove impediments to and perfect the mechanism of a free and open market and a national market system by permitting Quarterly Options Series expirations that fall on a day when a Short Term Options Series would otherwise expire to mirror the strike price intervals of Short Term Options Series. The Exchange believes there are substantial benefits to market participants in harmonized listing between Short Term Options Series and Quarterly Options Series on the same classes. The proposal will give investors the flexibility to close a position in an expiring Short Term Options Series and open a position at the same strike price in Quarterly Options Series in the same class. Investors will benefit from the availability of strike price intervals in Quarterly Options Series that match the intervals currently permitted for Short Term Options Series with the same expiration date.

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

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 changes to Rule 1012(d) are intended to provide clarity in the rule and additional flexibility to the Exchange in listing long term options expiration series, including by expanding the number of long term options expiration series that may be listed, to the benefit of investors. The proposed amendment to Commentary .08 is designed to facilitate rolling of options positions from a Short Term Options Series into a Quarterly Options Series, which will benefit users of these options contracts.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) by order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

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

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-Phlx-2017-26 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-2017-26. 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-2017-26 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.⁶

Robert W. Errett
Deputy Secretary

⁶ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

NASDAQ PHLX Rules

* * * * *

Options Rules

* * * * *

Rule 1012. Series of Options Open for Trading

(a) After a particular class of options (call option contracts or put option contracts relating to a specific underlying stock or Exchange-Traded Fund Share or 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) Stock or Exchange-Traded Fund Share Options.

(A) – (C) No change.

(D) Long Term Options. The Exchange may list, with respect to any class of stock or Exchange-Traded Fund Share options series, long term options having [up to between twelve and thirty-nine months from the time they are listed until expiration. Within those parameters there shall be no limitation on the number of long term options listed in any particular range of months. There may be up to [six]eight 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. Further, such option series will open for trading either when there is buying or selling interest, or 40 minutes prior to the close, whichever occurs first. No quotations need to be posted for such option series until they are opened for trading.

(ii) – (iv) No change.

(b) – (d) No change.

••• **Commentary:** -----

.01 - .07 No change.

.08 Quarterly Options Series Program. The Exchange may list and trade P.M. settled options series that expire at the close of business on the last business day of a calendar quarter ("Quarterly Options Series"). The Exchange may list Quarterly Options Series for up to five (5) currently listed options classes that are either Index Options or options on Exchange Traded Funds ("ETFs"). In addition, the Exchange may also list Quarterly Options Series on any options classes that are selected by other securities exchanges that employ a similar program under their respective rules.

(a) – (d) No change.

(e) The interval between strike prices on Quarterly Options Series shall be the same as the interval for strike prices for series in that same options class that expire in accordance with the normal monthly expiration cycle; provided, however, that the strike price intervals on a Quarterly Options Series may be the same as the strike price intervals for an options class participating in the Short Term Options Series Program if the expiration of the Quarterly Options Series coincides with an expiration of a Short Term Options Series on the same class.

(f) – (h) No change.

.09 - .13 No change.

* * * * *