

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

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

Description

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

Proposal to amend Exchange Rule 1029, Delivery of Options Disclosure Documents.

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	<input type="text"/>

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	06/20/2017	Executive Vice President and General Counsel
By	Edward S. Knight	<input type="text"/>
	(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 *

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 1029, Delivery of Options Disclosure Documents.

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 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 Exchanges proposes to amend Rule 1029 in two respects, first in connection with the required delivery to customers of any amended Options Disclosure Document (“ODD”), and second to set forth for the use of members and member organizations a Special Statement for Uncovered Options Writers for delivery to customers.

Delivery of Amended Options Disclosure Documents

Rule 1029 currently requires every member and member organization to deliver a current ODD to each customer at or prior to the time such customer's account is approved for options trading. The rule also contains a requirement that each amended ODD shall be distributed to every customer having an account approved for trading the options class(es) to which such ODD relates, or, the alternative, shall be distributed not later than the time a confirmation of a transaction is delivered to each customer who enters into an option transaction pertaining to such an options class. The language concerning amended Options Disclosure Documents is somewhat awkward and cumbersome, with the required timing of the provision of the amended ODD presented as “an alternative” to a requirement that the amended ODD be distributed in the first place to every customer having an account approved for trading the options classes(es) to which such ODD relates. The Exchange proposes to delete this language, and to replace it with more straightforward language requiring a copy of each amendment to an ODD to be furnished to each customer who was previously furnished the ODD to which the amendment pertains, not later than the time a confirmation of a transaction in the category of options to which the amendment pertains is delivered to such customer. This

language is based upon comparable language in Chapter 11, Section 15(a)(ii), of the Nasdaq Options Market rules, Nasdaq ISE Rule 616(a)(2), and Chicago Board Options Exchange (“CBOE”) Rule 9.15(a). The Exchange is also making a minor edit to the introductory sentence, substituting the word “transactions” for the word “trading” in order to conform to the terminology used by the foregoing exchanges.

Special Statement for Uncovered Options Writers

Rule 1024(c)(v) requires every member organization transacting business with the public in uncovered option contracts develop, implement and maintain specific written procedures governing the conduct of such business, including requirements that customers approved for writing uncovered short options transactions be provided with a special written description of the risks inherent in writing uncovered short option transactions, at or prior to the initial uncovered short option transaction. This written disclosure document must be furnished to customers in addition to the ODD required to be provided to customers trading in options pursuant to Rule 1029(a). Current Rule 1029(b) states that the written description of risks required by Rule 1024(c)(v) shall be in a format prescribed by the Exchange or in a format developed by the member organization, provided it contains substantially similar information as the prescribed Exchange format and has received prior written approval of the Exchange.

The Exchange now proposes to add Rule 1029(c), which will set forth a sample risk description captioned “Special Statement for Uncovered Options Writers” (the “Special Statement”) for use by member organizations to satisfy the requirements of Rule 1029(b). The Special Statement alerts customers to the special risks associated with uncovered options writing which may expose investors to potentially significant loss, and states that this type of strategy may therefore not be suitable for all customers approved

for options transactions. The Special Statement describes potential losses of uncovered call and put option writing, the possibility of significant margin calls, strategies where the potential risk is unlimited, consequences of unavailability of a secondary market in options, and the risk born by the writer of an American-style option subject to assignment of an exercise at any time after he has written the option until the option expires. The proposed rules are intended to increase customer awareness of the risks entailed in selling uncovered short option contracts.³ This language is almost identical to language contained in Chapter 11, Section 15 (c) of the NOM rules, CBOE Rule 9.15(b), and ISE Rule 616(d).

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, 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. The amendment of the portion of the rule requiring the delivery to customers of any amended

³ The Special Statement was originally based upon a prototype developed by the Options Self-Regulatory Council consisting of representatives of the American Stock Exchange, Chicago Board Options Exchange, Midwest Stock Exchange, National Association of Securities Dealers, New York Exchange, Philadelphia Stock Exchange and Pacific Stock Exchange. See Securities Exchange Act Release No. 26952 (June 21, 1989), 54 FR 27256 (June 28, 1989). The language of the Special Statement was included as an exhibit to SR-Phlx-89-24 which was approved in the foregoing approval order, but was not submitted as part of the rule text in that filing. The Exchange is now adding the Special Statement language into the actual rule text.

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

ODD should protect investors by making this regulatory obligation more clear to members and member organizations, thus ensuring that amendments will be delivered to each customer who was previously furnished the ODD to which the amendment pertains. The proposed rule setting forth the Special Statement is intended to protect investors by facilitating increased customer awareness of the particular risks associated with selling uncovered short option contracts. The distribution to customers of this short succinct written statement that describes the risks associated with uncovered options writing will help ensure investor protection because it will increase customer awareness of the potential for significant losses in writing uncovered short options contracts. Since disclosure is an important component of investor protection under the federal securities laws, providing investors with this special uncovered short options risk statement may help ameliorate problems associated with uncovered short options transactions (e.g., significant margin calls), especially during volatile markets.

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 language which is proposed to be added to Rule 1029 has previously been considered and approved by the Commission for use in other exchanges' rulebooks as discussed above.⁶

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 See footnote 3 above.

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)(iii)⁷ of the Act and Rule 19b-4(f)(6) thereunder⁸ 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 simply amends Rule 1029 regarding delivery of ODD amendments for clarity and easier understanding, and by the addition of a form of Special Statement alerting writers of uncovered options of the special risks of this type of options writing, which may be used by members and member organizations to facilitate their compliance with Rule 1029(b). The proposed rule change does not significantly affect the protection of investors or the public interest because it has previously been reviewed and approved by the Commission and reflects the practice that is already in place. Likewise the proposed rule change does not impose any significant burden on competition because it reflects the disclosure that has already been approved by the Commission and is in place on other exchanges.⁹

⁷ 15 U.S.C. 78s(b)(3)(A)(iii).

⁸ 17 CFR 240.19b-4(f)(6).

⁹ See footnote 3.

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 the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is based on the CBOE, ISE and NOM rules cited above.¹⁰

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.

¹⁰ See Chapter 11, Section 15(a) of the NOM rules, Nasdaq ISE Rule 616(a) and CBOE Rule 9.15(a) and (b), as well as Chapter 11, Section 15 (c) of the NOM rules and ISE Rule 616(d). See also footnote 3 above.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-Phlx-2017-49)

June __, 2017

Self-Regulatory Organizations; NASDAQ PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Regarding Delivery of Options Disclosure Documents

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 June 20, 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 1029, Delivery of Options Disclosure Documents.

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 Exchanges proposes to amend Rule 1029 in two respects, first in connection with the required delivery to customers of any amended Options Disclosure Document (“ODD”), and second to set forth for the use of members and member organizations a Special Statement for Uncovered Options Writers for delivery to customers.

Delivery of Amended Options Disclosure Documents

Rule 1029 currently requires every member and member organization to deliver a current ODD to each customer at or prior to the time such customer's account is approved for options trading. The rule also contains a requirement that each amended ODD shall be distributed to every customer having an account approved for trading the options class(es) to which such ODD relates, or, the alternative, shall be distributed not later than the time a confirmation of a transaction is delivered to each customer who enters into an option transaction pertaining to such an options class. The language concerning amended Options Disclosure Documents is somewhat awkward and cumbersome, with the required timing of the provision of the amended ODD presented as “an alternative” to a requirement that the amended ODD be distributed in the first place to every customer having an account approved for trading the options classes(es) to which such ODD relates. The Exchange proposes to delete this language, and to replace it with more straightforward language requiring a copy of each amendment to an ODD to

be furnished to each customer who was previously furnished the ODD to which the amendment pertains, not later than the time a confirmation of a transaction in the category of options to which the amendment pertains is delivered to such customer. This language is based upon comparable language in Chapter 11, Section 15(a)(ii), of the Nasdaq Options Market rules, Nasdaq ISE Rule 616(a)(2), and Chicago Board Options Exchange (“CBOE”) Rule 9.15(a). The Exchange is also making a minor edit to the introductory sentence, substituting the word “transactions” for the word “trading” in order to conform to the terminology used by the foregoing exchanges.

Special Statement for Uncovered Options Writers

Rule 1024(c)(v) requires every member organization transacting business with the public in uncovered option contracts develop, implement and maintain specific written procedures governing the conduct of such business, including requirements that customers approved for writing uncovered short options transactions be provided with a special written description of the risks inherent in writing uncovered short option transactions, at or prior to the initial uncovered short option transaction. This written disclosure document must be furnished to customers in addition to the ODD required to be provided to customers trading in options pursuant to Rule 1029(a). Current Rule 1029(b) states that the written description of risks required by Rule 1024(c)(v) shall be in a format prescribed by the Exchange or in a format developed by the member organization, provided it contains substantially similar information as the prescribed Exchange format and has received prior written approval of the Exchange.

The Exchange now proposes to add Rule 1029(c), which will set forth a sample risk description captioned “Special Statement for Uncovered Options Writers” (the “Special Statement”) for use by member organizations to satisfy the requirements of Rule

1029(b). The Special Statement alerts customers to the special risks associated with uncovered options writing which may expose investors to potentially significant loss, and states that this type of strategy may therefore not be suitable for all customers approved for options transactions. The Special Statement describes potential losses of uncovered call and put option writing, the possibility of significant margin calls, strategies where the potential risk is unlimited, consequences of unavailability of a secondary market in options, and the risk born by the writer of an American-style option subject to assignment of an exercise at any time after he has written the option until the option expires. The proposed rules are intended to increase customer awareness of the risks entailed in selling uncovered short option contracts.³ This language is almost identical to language contained in Chapter 11, Section 15 (c) of the NOM rules, CBOE Rule 9.15(b), and ISE Rule 616(d).

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

³ The Special Statement was originally based upon a prototype developed by the Options Self-Regulatory Council consisting of representatives of the American Stock Exchange, Chicago Board Options Exchange, Midwest Stock Exchange, National Association of Securities Dealers, New York Exchange, Philadelphia Stock Exchange and Pacific Stock Exchange. See Securities Exchange Act Release No. 26952 (June 21, 1989), 54 FR 27256 (June 28, 1989). The language of the Special Statement was included as an exhibit to SR-Phlx-89-24 which was approved in the foregoing approval order, but was not submitted as part of the rule text in that filing. The Exchange is now adding the Special Statement language into the actual rule text.

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

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. The amendment of the portion of the rule requiring the delivery to customers of any amended ODD should protect investors by making this regulatory obligation more clear to members and member organizations, thus ensuring that amendments will be delivered to each customer who was previously furnished the ODD to which the amendment pertains. The proposed rule setting forth the Special Statement is intended to protect investors by facilitating increased customer awareness of the particular risks associated with selling uncovered short option contracts. The distribution to customers of this short succinct written statement that describes the risks associated with uncovered options writing will help ensure investor protection because it will increase customer awareness of the potential for significant losses in writing uncovered short options contracts. Since disclosure is an important component of investor protection under the federal securities laws, providing investors with this special uncovered short options risk statement may help ameliorate problems associated with uncovered short options transactions (e.g., significant margin calls), especially during volatile markets.

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 language which is proposed to be added to Rule 1029 has previously been considered and approved by the Commission for use in other exchanges' rulebooks as discussed above.⁶

⁶ See footnote 3 above.

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

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 Act⁷ and subparagraph (f)(6) of Rule 19b-4 thereunder.⁸

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (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:

⁷ 15 U.S.C. 78s(b)(3)(A)(iii).

⁸ 17 CFR 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.

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-2017-49 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-Phlx-2017-49. 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-2017-49 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹

Eduardo A. Aleman
Assistant Secretary

⁹ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

NASDAQ PHLX Rules

* * * * *

Rule 1029. Delivery of Options Disclosure Documents

(a) *Options Disclosure Documents*—Every member and member organization shall deliver a current Options Disclosure Document to each customer at or prior to the time such customer's account is approved for options [trading]transactions. [Thereafter, each amended Options Disclosure Document shall be distributed to every customer having an account approved for trading the options class(es) to which such Options Disclosure Document relates, or, in the alternative, shall be distributed not later than the time a confirmation of a transaction is delivered to each customer who enters into an option transaction pertaining to such an options class.]A copy of each amendment to an Options Disclosure Document shall be furnished to each customer who was previously furnished the Options Disclosure Document to which the amendment pertains, not later than the time a confirmation of a transaction in the category of options to which the amendment pertains is delivered to such customer. The term "current Options Disclosure Document" means the most recent edition of such Document which meets the requirements of Rule 9b-1 promulgated under the Securities Exchange Act of 1934.

(b) The written description of risks required by Rule 1024(c)(v) shall be in a format prescribed by the Exchange or in a format developed by the member organization, provided it contains substantially similar information as the prescribed Exchange format and has received prior written approval of the Exchange.

(c) Below is a sample risk description for use by member organizations to satisfy the requirements of paragraph (b) of this Rule 1029:

Special Statement for Uncovered Options Writers.

There are special risks associated with uncovered options writing which expose the investor to potentially significant loss. Therefore, this type of strategy may not be suitable for all customers approved for options transactions.

1. The potential loss of uncovered call writing is unlimited. The writer of an uncovered call is in an extremely risky position, and may incur large losses if the value of the underlying instrument increases above the exercise price.

2. As with writing uncovered calls, the risk of writing uncovered put options is substantial. The writer of an uncovered put option bears a risk of loss if the value of the underlying instrument declines below the exercise price. Such loss could be substantial if there is a significant decline in the value of the underlying instrument.

3. Uncovered options writing is thus suitable only for the knowledgeable investor who understands the risks, has the financial capacity and willingness to incur potentially substantial losses, and has sufficient liquid assets to meet applicable margin requirements. In this regard, if the value of the underlying instrument moves against an uncovered writer's options position, the investor's broker may request significant additional margin payments. If an investor does not make such margin payments, the broker may liquidate stock or options positions in the investor's account with little or no prior notice in accordance with the investor's margin agreement.

4. For combination writing, where the investor writes both a put and a call on the same underlying instrument, the potential risk is unlimited.

5. If a secondary market in options were to become unavailable, investors could not engage in closing transactions, and an options writer would remain obligated until expiration or assignment.

6. The writer of an American-style option is subject to being assigned an exercise at any time after he has written the option until the option expires. By contrast, the writer of a European-style option is subject to exercise assignment only during the exercise period. NOTE: It is expected that you will read the booklet entitled CHARACTERISTICS AND RISKS OF STANDARDIZED OPTIONS available from your broker. In particular, your attention is directed to the chapter entitled Risks of Buying and Writing Options. This statement is not intended to enumerate all of the risks entailed in writing uncovered options.

••• **Commentary** ----- No change.

* * * * *